

CALIFORNIA INSTITUTE OF TECHNOLOGY JET PROPULSION LABORATORY

GENERAL PROVISIONS PART II - COST-REIMBURSEMENT WITH COMMERCIAL ORGANIZATIONS CONTRACT

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GENERAL PROVISIONS CANNOT BE ALTERED WITHOUT NASA APPROVAL

The attached Exhibits are incorporated into the General Provisions:

- Exhibit E. Management of Government Property in the Possession of Contractors (Form JPL 0968)
- Exhibit F. Contractor Personnel Access Report (Form JPL 1943)
- Exhibit G. (Reserved)
- Exhibit H. (Reserved)
- Exhibit I. Procurement Review Guidelines for Subcontracts Issued Under JPL Cost-Reimbursement Contracts (Form JPL 1939)
- Exhibit J. Correlation of JPL Passdown Requirements to Contractor's Proposed Subcontract Provisions (Form JPL 1942)

ARTICLE GP-61. INSPECTION OF RESEARCH AND DEVELOPMENT

(a) Definitions.

- (1) "Contractor's managerial personnel," as used in this Article, means the Contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of:

- (A) All or substantially all of the Contractor's business;

- (B) All or substantially all of the Contractor's operation at any one plant or separate location at which the Contract is being performed; or

- (C) A separate and complete major industrial operation connected with performing this Contract.

- (2) "Work," as used in this Article, includes data when the contract does not include the Warranty of Data Article.

- (b) The Contractor shall provide and maintain an inspection system acceptable to JPL covering the work under this Contract. Complete records of all inspection work performed by the Contractor shall be maintained and made available to JPL during Contract performance and for as long afterwards as the Contract requires.
- (c) JPL through any authorized representatives has the right to inspect and test all work called for by the Contract, to the extent practicable at all places and times, including the period of performance, and in any event before acceptance. JPL may also inspect the plant or plants of the Contractor or its subcontractors engaged in the Contract performance. JPL shall perform inspections and tests in a manner that will not unduly delay the work.
- (d) If JPL performs any inspection or test on the premises of the Contractor or a subcontractor, the Contractor shall furnish and shall require subcontractors to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.
- (e) Unless otherwise provided in the Contract, JPL shall accept work as promptly as practicable after delivery, and work shall be deemed accepted 90 days after delivery, unless accepted earlier.
- (f) At any time during performance, but no later than six months (or such other time as may be specified in the Schedule) after final acceptance of all of the end items (other than designs, drawings, or reports) to be delivered under the Contract, JPL may require the Contractor to replace or correct work not meeting Contract requirements. Time devoted to the replacement or correction of such work shall not be included in the computation of the above time period. Except as otherwise provided in paragraph (h) below, the cost of replacement or correction shall be determined as specified in the Article of this Contract entitled "Allowable Cost and Payment," but no additional fee shall be paid. The Contractor shall not tender for acceptance work required to be replaced or corrected without disclosing the former requirement for replacement or correction, and, when required, shall disclose the corrective action taken.
- (g) If the Contractor fails to proceed with reasonable promptness to perform required replacement or correction, JPL may:
 - (1) By contract or otherwise, perform the replacement or correction, charge to the Contractor any increased cost incurred by the Institute, or make an equitable reduction in any fee paid or payable under the Contract;
 - (2) Require delivery of any undelivered articles and shall have the right to make an equitable reduction in any fee paid or payable under the Contract; or
 - (3) Terminate the Contract for default, as provided in the Article of this Contract entitled "Termination."

- (h) Notwithstanding paragraphs (f) and (g) above, JPL may at any time require the Contractor to remedy by correction or replacement, without cost to the Institute, any failure by the Contractor to comply with the requirements of this Contract, if the failure is due to (i) fraud, lack of good faith, or willful misconduct on the part of the Contractor's managerial personnel or (ii) the conduct of one or more of the Contractor's employees selected or retained by the Contractor after any of the Contractor's managerial personnel has reasonable grounds to believe that the employee is habitually careless or unqualified.
- (i) This Article shall apply in the same manner to a corrected or replacement end item or components as to work originally delivered.
- (j) The Contractor has no obligation or liability under the Contract to correct or replace articles not meeting Contract requirements at time of delivery, except as provided in this Article or as may otherwise be specified in the Contract.
- (k) Unless otherwise provided in the Contract, the Contractor's obligations to correct or replace Government-furnished property shall be governed by the Article pertaining to Government property.
- (l) If this Contract, including those documents forming a part hereof by reference or incorporation, provides for or requires the submission of any of the work to JPL for approval, any such approval given by JPL, prior to final acceptance, shall not relieve the Contractor of its responsibility for complying with the specifications and other provisions of this Contract. Any such approval shall not be construed as an assumption by JPL of the responsibility that such work complies or will comply with the specifications or other provisions of this Contract.
- (m) The Government has the right to inspect and evaluate the work performed or being performed under the Contract, and the premises where the work is being performed, at all reasonable times and in a manner that will not unduly delay the work. If the Government performs inspection or evaluation on the premises of the Contractor or a subcontractor, the Contractor shall furnish and shall require subcontractors to furnish all reasonable facilities and assistance for the safe and convenient performance of these duties.

ARTICLE GP-62. CHANGES

- (a) JPL may by written Contract Unilateral Modification, at any time and without notice to the sureties, if any, make changes within the general scope of this Contract requiring additional work or directing the omission of or variation in work covered by this Contract.
- (b) If any such change causes an increase or decrease in the estimated cost of, or the time required for, performance of any part of the work under this Contract, whether or not changed by the Modification, or otherwise affects any other terms and conditions of this Contract, an equitable adjustment shall be made in the (i) estimated cost, delivery or completion schedule, or both; (ii) amount of any fee; and (iii) other affected terms, and the Contract shall be modified accordingly.
- (c) The Contractor must assert its right to an adjustment under this Article within 30 days from the date of receipt of the Modification. However, if JPL decides that the facts justify it, JPL may receive and act upon a proposal submitted before final payment of the Contract.
- (d) JPL may require change order accounting when deemed necessary. The Contractor, for each change or series of related changes, shall maintain separate accounts, by job order or other suitable accounting procedure, of all incurred segregable, direct costs (less allocable credits) of work, both changed and not changed, allocable to the change. The Contractor shall maintain such accounts until the parties agree to an equitable adjustment for the changes ordered by JPL.
- (e) Except as provided in paragraph (f) below, nothing contained in this Article shall excuse the Contractor from proceeding with the prosecution of the work as modified.
- (f) Notwithstanding the provisions of paragraphs (a) and (b) above, the estimated cost of this Contract and, if this Contract is incrementally funded, the funds allotted for the performance of this Contract, shall not be increased or considered to be increased except by specific written modification of the Contract indicating the new contract estimated cost and, if this Contract is incrementally funded, the new amount allotted to the Contract. Until this modification is made, the Contractor shall not be obligated to continue performance or incur costs beyond the point established in the Limitation of Cost or Limitation of Funds Article of this Contract.

ARTICLE GP-63. SUBCONTRACTS

- (a) The Contractor shall not, in the performance of this Contract, without the prior written consent of JPL, place any purchase order or subcontract which:
 - (1) Regardless of amount and which provides for the fabrication, purchase, rental, installation or other acquisition, of any facilities (as defined in FAR 45.301, and any corresponding implementing or supplementing provisions in the NFS, as in effect on the date of this Contract); or
 - (2) Is in excess of \$10,000 and which:
 - (A) Is for special tooling or special test equipment;
 - (B) Is on a cost-reimbursement basis; or
 - (C) Is on a time-and-material or labor-hour basis; or
 - (3) Is in excess of \$100,000.

JPL may in its discretion ratify in writing any subcontract or purchase order. Such action shall constitute the consent of JPL as required by the above.

- (b) The Contractor shall also obtain the prior written consent of JPL for any purchase order or subcontract modification(s) identified in writing by JPL.
- (c) To obtain consent, the Contractor shall submit documentation as follows:
 - (1) If the subcontract is for \$10,000 or less:
 - (A) The Contractor shall submit to JPL a letter requesting consent and, if applicable, DD form 1419, "DOD Industrial Plant Equipment Requisition."
 - (B) JPL consent is evidenced by:
 - (i) Issuance of a "JPL Consent to Subcontract" letter to the Contractor; or
 - (ii) JPL signature on the DD form 1419.
 - (2) If the subcontract exceeds \$10,000:
 - (A) The Contractor shall submit to JPL the documentation specified in form JPL 1939, "Procurement Review Guidelines for Subcontracts Issued Under Cost-Reimbursement Contracts," and, if applicable, DD form 1419, "DOD Industrial Plant Equipment Requisition."
 - (B) JPL consent is evidenced by issuance of a "JPL Consent to Subcontract" letter to the Contractor.
- (d) Any subcontract or purchase order placed pursuant to (a) above in an amount exceeding 10% of the small purchase limitation defined in FAR Part 13 shall be awarded as a result of competition obtained by the Contractor, and the Contractor's file shall contain sufficient documentation to show the extent of the competition obtained or to justify its absence.
- (e) JPL may in its discretion change any of the dollar limitations set forth in paragraph (a) of this Article upon reasonable notice to the Contractor.
- (f) The Contractor agrees that no subcontract (including lower-tier subcontracts) placed under this Contract shall provide for payment on a cost-plus-a-percentage-of-cost basis, and any fee payable under cost-reimbursement type subcontracts shall not exceed the fee limitations in paragraph 15.903(d) of FAR and any corresponding implementing or supplementing provisions in the NFS, unless approved by JPL.

- (g) The Contractor shall give JPL immediate notice in writing of any action or suit filed and prompt notice of any claim made against the Contractor by any subcontractor or vendor which, in the opinion of the Contractor, may result in litigation related in any way to this Contract with respect to which the Contractor may be entitled to reimbursement from JPL.
- (h) JPL may, in its discretion, specifically approve in writing any of the provisions of a purchase order or subcontract. However, such approval or the consent of JPL obtained as required by this Article shall not be construed to constitute a determination (i) of the acceptability of any subcontract terms and conditions; (ii) of the allowability of any cost under this Contract; or (iii) to relieve the Contractor of any responsibility for performing this Contract.
- (i) (1) The Contractor shall insert in each price redetermination or incentive price revision subcontract hereunder the substance of the provision "Quarterly limitation on payments statement" of the FAR clause at 52.216-5, Price Redetermination - Prospective, 52.216-6, Price Redetermination - Retroactive, 52.216-16, Incentive Price Revision - Firm Target, or 52.216-17, Incentive Price Revision - Successive Targets, as appropriate, and any corresponding implementing or supplementing provisions in the NFS, and modified in accordance with the paragraph entitled "Subcontracts" of that clause.
- (2) Additionally, the Contractor shall include in each cost-reimbursement subcontract under this Contract a requirement that the subcontractor insert the substance of the appropriate modified subparagraph referred to in subparagraph (1) above in each lower tier price redetermination or incentive price revision subcontract under that subcontract.

ARTICLE GP-64. GOVERNMENT PROPERTY

- (a) Government-Owned/JPL-Furnished Property (hereafter "GFP").
 - (1) The term "Contractor's managerial personnel," as used in paragraph (g) of this Article, means any of the Contractor's directors, officers, managers, superintendents, or equivalent representatives who have supervision or direction of:
 - (A) All or substantially all of the Contractor's business;
 - (B) All or substantially all of the Contractor's operation at any one plant, or separate location at which the Contract is being performed; or
 - (C) A separate and complete major industrial operation connected with performing this Contract.
 - (2) JPL shall deliver to the Contractor, for use in connection with and under the terms of this Contract, the property, if any, which JPL has committed to provide in the Schedule or specifications, together with such related data and information as the Contractor may request and as may be reasonably required for the intended use of the property.
 - (3) The delivery or performance dates for this Contract are based upon the expectation that GFP suitable for use will be delivered to the Contractor at the times stated in the Schedule or, if not so stated, in sufficient time to enable the Contractor to meet the Contract's delivery or performance dates.
 - (4) If GFP is received by the Contractor in a condition not suitable for the intended use, the Contractor shall, upon receipt, notify JPL, detailing the facts, and, as directed by JPL and at JPL expense, either effect repairs or modification or return or otherwise dispose of the property. After completing the directed action and upon written request of the Contractor, JPL shall make an equitable adjustment as provided in paragraph (h) of this Article.
 - (5) If GFP is not delivered to the Contractor by the required time or times, JPL shall, upon the Contractor's timely written request, make a determination of the delay, if any, caused the Contractor and shall make an equitable adjustment in accordance with paragraph (h) of this Article.

(b) Changes in GFP.

- (1) JPL may, by written notice, (i) decrease GFP provided or to be provided under this Contract or (ii) substitute other GFP for the property to be provided by JPL or to be acquired by the Contractor for JPL under this Contract. The Contractor shall promptly take such action as JPL may direct regarding the removal, shipment, or disposal of the property covered by this notice.
- (2) Upon the Contractor's written request, JPL shall make an equitable adjustment to the Contract in accordance with paragraph (h) of this Article, if JPL has agreed in the Schedule to make such property available for performing this Contract and there is any:
 - (A) Decrease or substitution in this property pursuant to subparagraph (b)(1) above; or
 - (B) Withdrawal of authority to use property, if provided under any other contract or lease.

(c) Title.

- (1) Title to all property furnished by JPL shall remain in the Government.
- (2) Title to all property purchased by the Contractor for which the Contractor is entitled to be reimbursed as a direct item of cost under this Contract shall pass to and vest in the Government upon the vendor's delivery of such property.
- (3) Title to all other property, the cost of which is reimbursable to the Contractor, shall pass to and vest in the Government upon:
 - (A) Issuance of the property for use in Contract performance;
 - (B) Commencement of processing of the property or use in Contract performance; or
 - (C) Reimbursement of the cost of the property by the Institute;whichever occurs first.
- (4) All GFP and all property acquired by the Contractor, title to which vests in the Government under this paragraph (collectively referred to as "Government property"), are subject to the provisions of this Article. Title to Government property shall not be affected by its incorporation into or attachment to any property not owned by the Government, nor shall Government property become a fixture or lose its identity as personal property by being attached to any real property.

- (d) Use of Government Property. The Government property shall be used only for performing this Contract, unless otherwise provided in this Contract or approved by JPL.

(e) Property Administration.

- (1) The Contractor shall be responsible and accountable for all Government property provided under this Contract and shall comply with the applicable provisions of FAR 45.5, and any corresponding implementing or supplementing provisions in the NFS, as modified by the JPL document "Management of Government Property in the Possession of Contractors" (JPL 0968), a copy of which is attached to and made a part of this Contract.
- (2) The Contractor shall establish and maintain a program for the use, maintenance, repair, protection, and preservation of Government property in accordance with sound business practice and the applicable provisions of FAR 45.5 and any corresponding implementing or supplementing provisions in the NFS, as modified by JPL 0968.

- (3) If damage occurs to Government property, the risk of which has been assumed by JPL under this Contract, JPL shall replace the items or the Contractor shall make such repairs as JPL directs. However, if the Contractor cannot effect such repairs within the time required, the Contractor shall dispose of the property as directed by JPL. When any property for which JPL is responsible is replaced or repaired, JPL shall make an equitable adjustment in accordance with paragraph (h) of this Article.
- (f) Access. JPL or the Government and all its designees shall have access at all reasonable times to the premises in which any Government property is located for the purpose of inspecting the Government property.
- (g) Limited Risk of Loss.
- (1) The Contractor shall not be liable for loss or destruction of, or damage to, the Government property provided under this Contract or for expenses incidental to such loss, destruction, or damage, except as provided in subparagraphs (2) and (3) below.
- (2) The Contractor shall be responsible for loss or destruction of, or damage to, the Government property provided under this Contract (including expenses incidental to such loss, destruction, or damage):
- (A) That results from a risk expressly required to be insured under this Contract, but only to the extent of the insurance required to be purchased and maintained or to the extent of insurance actually purchased and maintained, whichever is greater;
- (B) That results from a risk that is in fact covered by insurance or for which the Contractor is otherwise reimbursed, but only to the extent of such insurance or reimbursement;
- (C) For which the Contractor is otherwise responsible under the express terms of this Contract;
- (D) That results from willful misconduct or lack of good faith on the part of the Contractor's managerial personnel; or
- (E) That results from a failure on the part of the Contractor, due to willful misconduct or lack of good faith on the part of the Contractor's managerial personnel, to establish and administer a program or system for the control, use, protection, preservation, maintenance, and repair of Government property as required by paragraph (e) of this Article.
- (3) (A) If the Contractor fails to act as provided by subparagraph (g)(2)(E) above, after being notified (by certified mail addressed to one of the Contractor's managerial personnel) of the Government's disapproval, withdrawal of approval, or nonacceptance of the system or program, it shall be conclusively presumed that such failure was due to willful misconduct or lack of good faith on the part of the Contractor's managerial personnel.
- (B) In such event, any loss or destruction of, or damage to, the Government property shall be presumed to have resulted from such failure unless the Contractor can establish by clear and convincing evidence that such loss, destruction, or damage:
- (i) Did not result from the Contractor's failure to maintain an approved program or system; or
- (ii) Occurred while an approved program or system was maintained by the Contractor.
- (4) If the Contractor transfers Government property to the possession and control of a subcontractor, the transfer shall not affect the liability of the Contractor for loss or destruction of, or damage to, the property as set forth above. However, the Contractor shall require the subcontractor to assume the risk of, and be responsible for, any loss or destruction of, or damage to, the property while in the subcontractor's possession or control, except to the extent that the subcontract, with the advance approval of JPL, relieves the subcontractor from such liability. In the absence of such approval, the subcontract shall contain appropriate provisions requiring the return of all Government property in as good condition as when received, except for reasonable wear and tear or for its use in accordance with the provisions of the Contract.

- (5) Upon loss or destruction of, or damage to, Government property provided under this Contract, the Contractor shall so notify JPL and shall communicate with the loss and salvage organization, if any, designated by JPL. With the assistance of any such organization, the Contractor shall take all reasonable action to protect the Government property from further damage, separate the damaged and undamaged Government property, put all the affected Government property in the best possible order, and furnish to JPL a statement of:
- (A) The lost, destroyed, or damaged Government property;
 - (B) The time and origin of the loss, destruction, or damage;
 - (C) All known interests in commingled property of which the Government property is a part; and
 - (D) The insurance, if any, covering any part of or interest in such commingled property.
- (6) The Contractor shall repair, renovate, and take such other action with respect to damaged Government property as JPL directs. If the Government property is destroyed or damaged beyond practical repair, or is damaged and so commingled or combined with property of others (including the Contractor's) that separation is impractical, the Contractor may, with the approval of and subject to any conditions imposed by JPL, sell such property for the account of this Contract. Such sales may be made in order to minimize the loss to the Government, to permit the resumption of business, or to accomplish a similar purpose. The Contractor shall be entitled to an equitable adjustment in the Contract amount for the expenditures made in performing the obligations under this subparagraph (g)(6) in accordance with paragraph (h) of this Article. However, the Government may directly reimburse the loss and salvage organization for any of their charges. JPL shall give due regard to the Contractor's liability under this paragraph (g) when making any such equitable adjustment.
- (7) The Contractor shall not be reimbursed for, and shall not include as an item of overhead, the cost of insurance or of any reserve covering risk of loss or destruction of, or damage to, Government property, except to the extent that the Institute may have expressly required the Contractor to carry such insurance under another provision of this Contract.
- (8) In the event the Contractor is reimbursed or otherwise compensated for any loss or destruction of, or damage to, Government property, the Contractor shall use the proceeds to repair, renovate, or replace the lost, destroyed, or damaged Government property or shall otherwise credit the proceeds to, or equitably reimburse, the Institute or the Government, as directed by JPL.
- (9) The Contractor shall do nothing to prejudice the Institute's or the Government's rights to recover against third parties for any loss or destruction of, or damage to, Government property. Upon the request of JPL, the Contractor shall, at the Government's expense, furnish to the Government all reasonable assistance and cooperation (including the prosecution of suit and the execution of instruments of assignment in favor of the Government) in obtaining recovery. In addition, where a subcontractor has not been relieved from liability for any loss or destruction of, or damage to, Government property, the Contractor shall enforce for the benefit of the Government the liability of the subcontractor for such loss, destruction, or damage.
- (h) Equitable Adjustment. When this Article specifies an equitable adjustment, it shall be made to any affected Contract provision in accordance with the procedures of the "Changes" Article. When appropriate, JPL may initiate an equitable adjustment in favor of JPL. The right to an equitable adjustment shall be the Contractor's exclusive remedy. JPL shall not be liable to suit for breach of Contract for:
- (1) Any delay in delivery of GFP;
 - (2) Delivery of GFP in a condition not suitable for its intended use;
 - (3) A decrease in or substitution of GFP; or
 - (4) Failure to repair or replace Government property for which JPL is responsible.

- (i) Final Accounting and Disposition of Government Property. Upon completing this Contract, or at such earlier dates as may be fixed by JPL, the Contractor shall submit, in a form acceptable to JPL, inventory schedules covering all items of Government property not consumed in performing this Contract or delivered to JPL. The Contractor shall prepare for shipment, deliver, or dispose of the Government property as may be directed or authorized by JPL. The net proceeds of any such disposal shall be credited to the cost of the work covered by this Contract or paid in such manner as directed by JPL. The foregoing provisions shall apply to scrap from Government property; provided, however, that JPL may authorize or direct the Contractor to omit from such inventory schedules any scrap consisting of faulty castings or forgings or of cutting and processing waste, such as chips, cuttings, borings, turnings, short ends, circles, trimmings, clippings, and remnants, and to dispose of such scrap in accordance with the Contractor's normal practice and account for it as a part of general overhead or other reimbursable costs in accordance with the Contractor's established accounting procedures.
- (j) Abandonment and Restoration of Contractor Premises. Unless otherwise provided herein, the Government through JPL:
 - (1) May abandon any Government property in place, at which time all obligations of the Government and of the Institute regarding such abandoned property shall cease; and
 - (2) Has no obligation to restore or rehabilitate the Contractor's premises under any circumstances (e.g., abandonment, disposition upon completion of need, or Contract completion). However, if the GFP (listed in the Schedule or specifications) is withdrawn or is unsuitable for the intended use, or if other Government property is substituted, then the equitable adjustment under paragraph (h) of this Article may properly include restoration or rehabilitation costs.
- (k) Communications. All communications under this Article shall be in writing.
- (l) Overseas Contracts. If this Contract is to be performed outside the United States of America, its territories, or possessions, the words "Government" and "Government-furnished" (when they appear in this Article) shall be construed as "United States Government" and "United States Government-furnished," respectively.

ARTICLE GP-65. ALLOWABLE COST AND PAYMENT

- (a) Invoicing.
 - (1) The Contractor shall submit an original and three copies of its commercial invoices monthly, unless otherwise provided in the Schedule of the Contract, to: Jet Propulsion Laboratory, Attention: Accounting Section, 4800 Oak Grove Drive, Pasadena, California 91109. The Government "Public Voucher" form of invoicing is not acceptable.
 - (2) The Institute shall make payments to the Contractor once each month (or at more frequent intervals if approved by JPL), in amounts determined to be allowable by the Institute in accordance with Subpart 31.2 of FAR and any corresponding implementing or supplementing provisions in the NFS and the terms of this Contract. The Contractor may submit, in such form and reasonable detail as JPL may require, an invoice supported by a statement of the claimed allowable cost for performing this Contract.
- (b) Reimbursing Costs.
 - (1) For the purpose of reimbursing allowable costs (except as provided in subparagraph (2) below, with respect to pension, deferred profit sharing, and employee stock ownership plan contributions), the term "costs" includes only:
 - (A) Those recorded costs that, at the time of the request for reimbursement, the Contractor has paid by cash, check, or other form of actual payment for items or services purchased directly for the Contract;
 - (B) When the Contractor is not delinquent in paying costs of Contract performance in the ordinary course of business, costs incurred, but not necessarily paid, for (i) materials issued from the Contractor's inventory and placed in the production process for use on the Contract; (ii) direct labor; (iii) direct travel; (iv) other direct in-house costs; and (v) properly allocable and allowable indirect costs, as shown in the records maintained by the Contractor for purposes of obtaining reimbursement under Government contracts or subcontracts; and

- (C) The amount of progress payments that have been paid to the Contractor's subcontractors under similar cost standards.
- (2) Contractor contributions to any pension or other post-retirement benefit, profit-sharing, or employee stock ownership plan funds that are paid quarterly or more often may be included in indirect costs for payment purposes; provided, that the Contractor pays the contribution to the fund within 30 days after the close of the period covered. Payments made 30 days or more after the close of a period shall not be included until the Contractor actually makes the payment. Accrued costs for such contributions that are paid less often than quarterly shall be excluded from indirect costs for payment purposes until the Contractor actually makes the payment.
- (3) Notwithstanding the audit and adjustment of invoices under paragraph (h) below, allowable indirect costs under this Contract shall be obtained by applying indirect cost rates established in accordance with paragraph (e) below.
- (4) Any statements in specifications or other documents incorporated in this Contract by reference designating performance of services or furnishing of materials at the Contractor's expense or at no cost to the Institute shall be disregarded for purposes of cost-reimbursement under this Article.
- (c) Small Business Concerns. A small business concern may be paid for recorded costs for items or services purchased directly for the Contract, even though the concern has not yet paid for those items or services.
- (d) (1) Promptly after receipt of each invoice the Institute shall, subject to the provisions of paragraph (h) below, make payment thereon as approved by JPL.
- (2) Payment of the fee, if any, shall be made to the Contractor as specified in this Contract; provided, however, that after payment of 85% of the fee set forth in the Schedule, further payment on account of the fee may be withheld until a reserve shall have been set aside in an amount which the Institute considers necessary to protect the interests of the Institute and the Government, but such reserve shall not exceed either 15% of the total fee, or \$100,000, whichever is less.
- (e) Final Indirect Cost Rates.
- (1) Final annual indirect cost rates and the appropriate bases shall be established in accordance with Subpart 42.7 of FAR and any corresponding implementing or supplementing provisions in the NFS in effect for the period covered by the indirect cost rate proposal; provided, however, that the advance understandings, if any, on particular items of cost, as set forth in the Schedule of this Contract shall be given effect, provided further, however, that in the event of any inconsistency between such advance understandings and the cost principles referred to in (a) above, the cost principles shall prevail.
- (2) A copy of the agreement between the Contractor and the Government for each of the periods applicable to this Contract, setting forth the indirect cost rates established in accordance with subparagraph (1) above, shall be furnished by the Contractor to JPL, and shall be deemed to be automatically incorporated into this Contract, subject to the proviso set forth in subparagraph (1) above.
- (f) Billing Rates. Until final annual indirect cost rates are established for any period, the Institute shall reimburse the Contractor at billing rates acceptable to JPL, subject to adjustment when the final rates are established. These billing rates:
- (1) Shall be the anticipated final rates; and
- (2) May be prospectively or retroactively revised by mutual agreement, at either party's request, to prevent substantial overpayment or underpayment.
- (g) Quick-Closeout Procedures. When the Contractor and JPL agree, the quick-closeout procedures of Subpart 42.7 of the FAR and any corresponding implementing or supplementing provisions in the NFS may be used.
- (h) Audit. At any time or times before final payment, JPL may have the Contractor's invoices or statements of cost audited. Any payment may be (i) reduced by amounts found by JPL not to constitute allowable costs or (ii) adjusted for prior overpayments or underpayments.

(i) Final Payment.

- (1) The Contractor shall submit a completion invoice, designated as such, promptly upon completion of the work, but no later than one year (or longer, as JPL may approve in writing) from the completion date. Upon approval of that invoice, and upon the Contractor's compliance with all terms of this Contract, the Institute shall promptly pay any balance of allowable costs and that part of the fee (if any) not previously paid.
- (2) The Contractor shall pay to the Institute any refunds, rebates, credits, or other amounts (including interest, if any) accruing to or received by the Contractor or any assignee under this Contract, to the extent that those amounts are properly allocable to costs for which the Contractor has been reimbursed by the Institute. Reasonable expenses incurred by the Contractor for securing refunds, rebates, credits, or other amounts shall be allowable costs if approved by JPL. Before final payment under this Contract, the Contractor and each assignee whose assignment is in effect at the time of final payment shall execute and deliver:
 - (A) An assignment to the Institute, in form and substance satisfactory to JPL, of refunds, rebates, credits, or other amounts (including interest, if any) properly allocable to costs for which the Contractor has been reimbursed by the Institute under this Contract; and
 - (B) A release discharging the Institute, its officers, agents and employees from all liabilities, obligations, and claims arising out of or under this Contract, except:
 - (i) Specified claims stated in exact amounts, or in estimated amounts when the exact amounts are not known;
 - (ii) Claims (including reasonable incidental expenses) based upon liabilities of the Contractor to third parties arising out of the performance of this Contract; provided, that the claims are not known to the Contractor on the date of the execution of the release, and that the Contractor gives notice of the claims in writing to JPL within six years following the release date or notice of final payment date, whichever is earlier; and
 - (iii) Claims for reimbursement of costs, including reasonable incidental expenses, incurred by the Contractor under the patent provisions of this Contract, excluding, however, any expenses arising from the Contractor's indemnification of the Institute against patent liability.
 - (iv) When there is included in this Contract a provision entitled "Additional Data Requirements," claims pursuant to such provision when a written request by the Institute to furnish data is made .

ARTICLE GP-66. INSURANCE - LIABILITY TO THIRD PERSONS

- (a) Except as provided in subparagraph (1) immediately following or in paragraph (h) of this Article (if this Article contains paragraph (h)), the Contractor shall provide and thereafter maintain the following insurance with respect to performance under this Contract:
 - (1) Workers' Compensation and Employer's Liability Insurance, as required by applicable Federal and state workers' compensation and occupational disease statutes. If occupational diseases are not compensable under those statutes, they shall be covered under the Employer's Liability section of the insurance policy, except when Contract operations are so commingled with the Contractor's commercial operations that it would not be practical. The Employer's Liability coverage shall be at least \$100,000, except in states with exclusive or monopolistic funds that do not permit worker's compensation to be written by private carriers. However, the Contractor in fulfillment of its obligation to provide Workers' Compensation Insurance may maintain a self-insurance program if the Contractor is qualified pursuant to statutory authority to do so.
 - (2) Comprehensive Liability Insurance, including automobiles (owned, non-owned and leased), completed operations, products, and Contractual Liability Insurance specifically covering all liability assumed under this Contract. Such insurance shall be written for a combined single limit of not less than \$1,000,000 for all deaths, injuries and property damage arising from one accident or occurrence.
 - (3) Such other insurance as JPL may from time to time require.

The Contractor agrees to furnish certificates of insurance to JPL for the coverage required hereunder, should JPL so request.

- (b) The Contractor agrees to submit for approval of JPL, to the extent and in the manner required by JPL, any other insurance that is maintained by the Contractor in connection with the performance of this Contract and for which the Contractor seeks reimbursement.
- (c) Except as provided in paragraph (h) of this Article (if this Article contains paragraph (h)), the Contractor shall be reimbursed:
 - (1) For that portion (i) of the reasonable cost of insurance allocable to this Contract and (ii) required or approved under this Article; and
 - (2) For certain liabilities (and expenses incidental to such liabilities) to third persons not compensated by insurance or otherwise. These liabilities must arise out of the performance of this Contract, whether or not caused by the negligence of the Contractor or of the Contractor's agents, servants, or employees, and must be represented by final judgments or settlements approved in writing by the Institute. These liabilities are for (i) loss of or damage to property (other than property owned, occupied, or used by the Contractor, rented to the Contractor, or in the care, custody, or control of the Contractor); or (ii) death or bodily injury.
- (d) The Institute's liability under paragraph (c)(2) of this Article is subject to the availability of funds under the Prime Contract at the time a contingency occurs.
- (e) The Contractor shall not be reimbursed for liabilities (and expenses incidental to such liabilities):
 - (1) For which the Contractor is otherwise responsible under the express terms of any Article or Articles specified in the Schedule or elsewhere of the Contract;
 - (2) For which the Contractor has failed to insure or to maintain insurance as required; or
 - (3) That result from willful misconduct or lack of good faith on the part of any of the Contractor's directors, officers, managers, superintendents, or other representatives who have supervision or direction of:
 - (A) All or substantially all of the Contractor's business;
 - (B) All or substantially all of the Contractor's operations at any one plant or separate location in which this Contract is being performed; or
 - (C) A separate and complete major industrial operation in connection with the performance of this Contract.
- (f) The provisions of paragraph (e) of this Article shall not restrict the right of the Contractor to be reimbursed for the cost of insurance maintained by the Contractor in connection with the performance of this Contract, other than insurance required in accordance with this Article; provided, that such cost is allowable under the "Allowable Cost and Payment" Article of this Contract.
- (g) If any suit or action is filed or any claim is made against the Contractor, the cost and expense of which may be reimbursable to the Contractor under this Contract, and the risk of which is then uninsured or is insured for less than the amount claimed, the Contractor shall:
 - (1) Immediately notify JPL and promptly furnish copies of all pertinent papers received;
 - (2) Authorize Institute or Government representatives to collaborate with counsel for the insurance carrier in settling or defending the claim when the amount of the liability claimed exceeds the amount of coverage; and
 - (3) Authorize Institute or Government representatives to settle or defend the claim and to represent the Contractor in or to take charge of any litigation, if required by the Institute, when the liability is not insured or covered by bond. The Contractor may, at its own expense, be associated with the Institute or the Government representatives in any such claim or litigation.

(h) (RESERVED)

ARTICLE GP-67. COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT

- (a) Contractor agrees to comply with the Americans with Disabilities Act (42 U.S.C. 12101, et. seq.) and all implementing regulations.
- (b) Contractor agrees to insert this Article, including (b), in all subcontracts and purchase orders hereunder.

ARTICLE GP-68. ADDITIONAL DATA REQUIREMENTS

- (a) In addition to the data (as defined in the "Rights in Data - General" Article or other equivalent included in this Contract) specified elsewhere in this Contract to be delivered, JPL may at any time during Contract performance or within a period of three years after acceptance of all items to be delivered under this Contract, order any data first produced or specifically used in the performance of this Contract.
- (b) The "Rights in Data - General" Article or other equivalent included in this Contract is applicable to all data ordered under this "Additional Data Requirements" Article. Nothing contained in this Article shall require the contractor to deliver any data the withholding of which is authorized by the "Rights in Data - General" Article or other equivalent Article of this Contract, or data which are specifically identified in this Contract as not subject to this Article.
- (c) When data are to be delivered under this Article, the Contractor will be compensated for converting the data into the prescribed form, for reproduction, and for delivery.
- (d) The Contracting Officer through JPL may release the Contractor from the requirements of this Article for specifically identified data items at any time during the three-year period set forth in paragraph (a) above.

ARTICLE GP-69. TERMINATION

- (a) JPL may terminate performance of work under this Contract in whole or, from time to time, in part, if:
 - (1) JPL determines that a termination is in the interest of the Institute or the Government.
 - (2) The Contractor defaults in performing this Contract and fails to cure the default within 10 days (unless extended by JPL) after receiving a JPL notice specifying the default. "Default" includes failure to make progress in the work so as to endanger performance.
- (b) JPL shall terminate by delivering to the Contractor a Notice of Termination specifying whether termination is for default of the Contractor or for convenience of the Institute or the Government, the extent of termination, and the effective date. If, after termination for default, it is determined that the Contractor was not in default or that the Contractor's failure to perform or to make progress in performance is due to causes beyond the control and without the fault or negligence of the Contractor as set forth in the Article of this Contract entitled "Excusable Delays," the rights and obligations of the parties will be the same as if the termination was for the convenience of the Institute or the Government.
- (c) After receipt of a Notice of Termination, and except as directed by JPL, the Contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this Article:
 - (1) Stop work as specified in the notice.
 - (2) Place no further subcontracts or orders (referred to as subcontracts in this Article), except as necessary to complete the continued portion of the Contract.
 - (3) Terminate all subcontracts to the extent they relate to the work terminated.
 - (4) Assign to JPL, in the manner and to the extent directed by JPL, all right, title, and interest of the Contractor under the subcontracts terminated, in which case JPL shall have the right to settle or to pay any termination settlement proposal arising out of those terminations.

- (5) With approval or ratification to the extent required by JPL, settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts, the cost of which would be reimbursable in whole or in part, under this Contract; approval or ratification will be final for purposes of this Article.
 - (6) Submit in a form acceptable to JPL inventory schedules covering all items of property not consumed in the performance of this Contract or not previously delivered to JPL.
 - (7) Transfer title (if not already transferred) and, as directed by JPL, deliver to JPL (i) the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated, (ii) the completed or partially completed plans, drawings, information, and other property that, if the Contract had been completed, would be required to be furnished to JPL, and (iii) the jigs, dies, fixtures, and other special tools and tooling acquired or manufactured for this Contract, the cost of which the Contractor has been or will be reimbursed under this Contract.
 - (8) Complete performance of the work not terminated.
 - (9) Take any action that may be necessary, or that JPL may direct, for the protection and preservation of the property related to this Contract that is in the possession of the Contractor and in which the Government has or may acquire an interest.
 - (10) Use its best efforts to sell, as directed or authorized by JPL, any property of the types referred to in subparagraph (7) above; provided, however, that the Contractor (i) is not required to extend credit to any purchaser and (ii) may acquire the property under the conditions prescribed by, and at prices approved by, JPL. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by the Institute under this Contract, credited to the price or cost of the work, or paid in any other manner directed by JPL.
- (d) After expiration of the plant clearance period as defined in Subpart 45.6 of FAR and any corresponding implementing or supplementing provisions in the NFS, the Contractor may submit to JPL a list, certified as to quantity and quality, of termination inventory not previously disposed of, excluding items authorized for disposition by JPL. The Contractor may request JPL to remove those items or enter into an agreement for their storage. Within 15 days, JPL will accept the items and remove them or enter into a storage agreement. JPL may verify the list upon removal of the items, or if stored, within 45 days from submission of the list, and shall correct the list, as necessary, before final settlement.
 - (e) After termination, the Contractor shall submit a final termination settlement proposal to JPL in the form and with the certification prescribed by JPL. The Contractor shall submit the proposal promptly, but no later than six months from the effective date of termination, unless extended in writing by JPL upon written request of the Contractor within this six- month period. However, if JPL determines that the facts justify it, a termination settlement proposal may be received and acted on after six months or any extension. If the Contractor fails to submit the proposal within the time allowed, JPL may determine, on the basis of information available, the amount, if any, due the Contractor because of the termination and shall pay the amount determined.
 - (f) Subject to paragraph (e) above, the Contractor and JPL may agree on the whole or any part of the amount to be paid (including an allowance for fee) because of the termination. The Contract shall be amended, and the Contractor paid the agreed amount.
 - (g) If the Contractor and JPL fail to agree in whole or in part on the amount of costs and/or fee to be paid because of the termination of work, JPL shall determine, on the basis of information available, the amount, if any, due the Contractor, and shall pay that amount, which shall include the following:
 - (1) All costs reimbursable under this Contract, not previously paid, for the performance of this Contract before the effective date of the termination, and such of those costs that may continue for a reasonable time with the approval of or as directed by JPL; however, the Contractor shall discontinue those costs as rapidly as practicable.
 - (2) The cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the Contract if not included in subparagraph (1) above.

- (3) The reasonable costs of settlement of the work terminated, including (i) accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data; (ii) for the termination and settlement of subcontracts (excluding the amounts of such settlements); and (iii) storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory; provided, however, that if the termination is for default, no amounts for the preparation of the Contractor's termination settlement proposal may be included.
- (4) A portion of the fee payable under the Contract, determined as follows:
- (A) If the Contract is terminated for the convenience of the Institute or the Government, the settlement shall include a percentage of the fee equal to the percentage of completion of work contemplated under the Contract as determined under FAR 49.305 and any corresponding implementing or supplementing provisions in the NFS, but excluding subcontract effort included in subcontractors' termination proposals, less previous payments for fee.
- (B) If the Contract is terminated for default, the total fee payable shall be such proportionate part of the fee as the total number of articles (or amount of services) delivered to and accepted by JPL is to the total number of articles (or amount of services) of a like kind required by the Contract.
- (5) If the settlement includes only fee, it will be determined under subparagraph (g)(4) above.
- (h) The cost principles and procedures in Part 31 of the FAR and any corresponding implementing or supplementing provisions in the NFS, in effect on the date of this Contract, shall govern all costs claimed, agreed to, or determined under this Article.
- (i) The determination by JPL of the amount, if any, due the Contractor by reason of the termination of this Contract, as provided in paragraphs (e) or (g) above or paragraph (k) below of this Article, shall not be final and conclusive with regard to the Contractor's right to pursue any available legal remedy in the event the Contractor disagrees with such determination, provided that, if the Contractor has failed to submit its claim within the time provided in paragraph (e) above, and has failed to request an extension of such time, the determination of JPL as to the amount due shall be final and conclusive.
- (j) In arriving at the amount due the Contractor under this Article, there shall be deducted:
- (1) All unliquidated advance or other payments to the Contractor, under the terminated portion of this Contract;
- (2) Any claim which the Institute has against the Contractor under this Contract; and
- (3) The agreed price for, or the proceeds of sale of materials, supplies, or other things acquired by the Contractor or sold under this Article and not recovered by or credited to the Institute.
- (k) The Contractor and the Institute must agree to any equitable adjustment in fee for the continued portion of the Contract when there is a partial termination and such adjustment shall be evidenced by a modification to this Contract.
- (l) (1) The Institute may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by the Contractor for the terminated portion of the Contract, if the Institute believes the total of these payments will not exceed the amount to which the Contractor will be entitled.
- (2) If the total payments exceed the amount finally determined to be due, the Contractor shall repay the excess to the Institute upon demand, together with interest computed at the rate established by the Secretary of the Treasury under 50 U.S.C. App. 1215(b)(2). Interest shall be computed for the period from the date the excess payment is received by the Contractor to the date the excess is repaid to the Institute. Interest shall not be charged on any excess payment due to a reduction in the Contractor's termination settlement proposal because of retention or other disposition of termination inventory until 10 days after the date of the retention or disposition, or a later date determined by the Institute because of the circumstances.

(m) The provisions of this Article relating to fee are inapplicable if this Contract does not include a fee.

ARTICLE GP-70. LIMITATION ON WITHHOLDING OF PAYMENTS

If more than one Article of this Contract authorizes the temporary withholding of amounts otherwise payable to the Contractor for supplies delivered or services performed, the total of the amounts withheld at any one time shall not exceed the greatest amount that may be withheld under any one Article at that time; provided, that this limitation shall not apply to:

- (a) Withholdings pursuant to any Article relating to wages or hours of employees;
- (b) Withholdings not specifically provided for by this Contract; and
- (c) The recovery of overpayments.

ARTICLE GP-71. DISPUTES

- (a) Any dispute arising under or relating to this Contract which is not settled by agreement of the parties or pursuant to paragraph (b) below may be settled by appropriate legal proceedings. Pending any binding or conclusive decision, appeal or judgment referred to in this Article or the settlement of any such dispute, the Contractor shall proceed diligently with the performance of this Contract.
- (b) Notwithstanding any provisions herein to the contrary:
 - (1) If a decision on any question of fact arising under the Prime Contract is made by the Contracting Officer and such question of fact is also related to this Contract, said decision, if binding upon the Institute under the Prime Contract, shall in turn be binding upon the Institute and the Contractor with respect to such question insofar as it relates to this Contract; provided, however, that if the Contractor is adversely affected by any such decision made by the Contracting Officer, and if the Institute elects not to appeal such decision pursuant to the "Disputes" clause of the Prime Contract, the Institute shall notify the Contractor within 10 days after receipt by the Institute of a copy of the decision. Notification of the Contractor shall be deemed to have been made upon deposit by the Institute of a notice in the mail properly addressed to the Contractor or upon actual delivery of the Notice to Contractor by the Institute. The Contractor shall thereupon have the right reserved to the Institute under the Prime Contract to prosecute an appeal, in the name of the Institute, to the Administrator within 30 days after receipt by the Institute of a copy of the Contracting Officer's decision. Any decision upon appeal either by the Institute or by the Contractor in the Institute's name, if binding upon the Institute under the Prime Contract, shall in turn be binding upon the Contractor and the Institute with respect to such question of fact insofar as it relates to this Contract.
 - (2) If a decision is made by any representative of the Government on any question of fact and/or law arising under the Prime Contract which is also related to this Contract, from which an appeal under the "Disputes" clause in the Prime Contract is not available, said decision, if binding upon the Institute under the Prime Contract, shall in turn be binding upon the Contractor and the Institute with respect to such question insofar as it relates to this Contract; provided, however, that if the Contractor is adversely affected by any such decision, or if the Contractor is adversely affected by any decision upon an appeal referred to in paragraph (1) above, and if the Institute elects not to bring suit against the Government with respect to such decision, the Institute shall notify the Contractor with reasonable promptness. The Contractor shall thereupon have any right which the Institute would have to prosecute a suit against the Government in the Institute's name. Failure to exercise such right shall preclude the Contractor from objecting to the adverse conclusion or result under this Contract. A final judgment in any such suit shall be conclusive upon the Contractor and the Institute under this Contract.
 - (3) All costs and expenses of any such appeal or suit prosecuted by the Contractor shall be paid by the Contractor, without prejudice to any right the Contractor may otherwise have to recovery or allowance thereof.

- (4) If as a result of any decision or judgment which is binding upon the Contractor and the Institute, as provided above, the Institute is unable to obtain reimbursement from the Government under the Prime Contract for, or is required to refund or credit to the Government, any amount with respect to any item of cost or fee for which the Institute has reimbursed the Contractor, the Contractor shall, on demand, promptly repay such amount to the Institute. Additionally, pending the final conclusion of any appeal and/or suit hereunder, the Institute may demand, and upon such demand the Contractor shall pay over to the Institute, any amount which the Government has disallowed or suspended under the Prime Contract and which arises out of this Contract.

ARTICLE GP-72. STOP WORK ORDER

- (a) JPL may, at any time, by written order to the Contractor, require the Contractor to stop all, or any part, of the work called for by this Contract for a period of 90 days after the order is delivered to the Contractor, and for any further period to which the parties may agree. The order shall be specifically identified as a stop work order issued under this Article. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage. Within a period of 90 days after a stop work order is delivered to the Contractor, or within any extension of that period to which the parties shall have agreed, JPL shall either:
- (1) Cancel the stop work order; or
 - (2) Terminate the work covered by such order either for convenience of the Institute or the Government or, if appropriate, for default.
- (b) If a stop work order issued under this Article is canceled or the period of the order or any extension thereof expires, the Contractor shall resume work. JPL shall make an equitable adjustment in the delivery schedule, the contract amount, and in any other provisions of the Contract that may be affected, and the Contract shall be modified, in writing, accordingly, if:
- (1) The stop work order results in an increase in the time required for, or in the Contractor's cost properly allocable to, the performance of any part of this Contract; and
 - (2) The Contractor asserts a claim for the adjustment within 30 days after the end of the period of work stoppage; provided, that, if JPL decides the facts justify the action, it may receive and act upon the claim asserted at any time before final payment under this Contract.
- (c) If a stop work order is not canceled and the work covered by the order is terminated for the convenience of the Institute or the Government, JPL shall allow reasonable costs resulting from the stop work order in arriving at the termination settlement.
- (d) If a stop work order is not canceled and the work covered by the order is terminated for default, JPL shall allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop work order.

ARTICLE GP-73. LIMITATION OF FUNDS

(This Article shall be applicable and the Article of this Contract entitled "Limitation of Cost" inapplicable until such time as an amount equal to the total estimated cost and fee set forth in the Schedule is allotted to this Contract and thereafter the Article of this Contract entitled "Limitation of Cost" shall be applicable and this Article inapplicable, unless and until the amount allotted to this Contract once again becomes less than the total estimated cost and fee set forth in the Schedule.)

- (a) The parties estimate that performance of this Contract will not cost the Institute more than (i) the estimated cost specified in the Schedule or, (ii) if this is a cost-sharing contract, the Institute's share of the estimated cost specified in the Schedule. The Contractor agrees to use its best efforts to perform the work specified in the Schedule and all obligations under this Contract within the estimated cost, which, if this is a cost-sharing contract, includes both the Institute's and the Contractor's share of the cost.

- (b) The Schedule specifies the amount presently available for payment by the Institute and allotted to this Contract, or the Institute's share of the cost if this is a cost-sharing contract. The parties contemplate that the Institute will allot additional funds incrementally to the Contract up to the full estimated cost to the Institute specified in the Schedule, exclusive of any fee. The Contractor agrees to perform, or have performed, work on the Contract up to the point at which the total amount paid and payable by the Institute under the Contract approximates but does not exceed the total amount actually allotted by the Institute to the Contract.
- (c) The Contractor shall notify JPL in writing whenever it has reason to believe that the costs which it expects to incur in the performance of this Contract in the next succeeding 60 days, when added to (i) all costs previously incurred; (ii) the amount of termination costs that would be payable by the Institute in the event of termination of this Contract for the convenience of the Institute; and (iii) any fee paid or payable up through such period; will either (i) exceed the total amount so far allotted to the Contract by the Institute or, (ii) if this is a cost-sharing contract, the amount then allotted to the Contract by the Institute plus the Contractor's corresponding share.
- (d) If, after notification, additional funds are not allotted in sufficient time to enable the Contractor to continue performance of this Contract in a timely manner, the Institute will, upon written request by the Contractor, terminate this Contract pursuant to the provisions of the "Termination" Article.
- (e) Except as required by other provisions of this Contract, specifically citing and stated to be an exception to this Article:
 - (1) The Institute is not obligated to reimburse the Contractor for costs incurred in excess of the total amount allotted by the Institute to this Contract; and
 - (2) The Contractor is not obligated to continue performance under this Contract (including actions under the "Termination" Article of this Contract) or otherwise incur costs in excess of (i) the amount then allotted to the Contract by the Institute or, (ii) if this is a cost-sharing contract, the amount then allotted by the Institute to the Contract plus the Contractor's corresponding share, until JPL notifies the Contractor in writing that the amount allotted by the Institute has been increased and specifies an increased amount, which shall then constitute the total amount allotted by the Institute to this Contract.
- (f) The estimated cost shall be increased to the extent that (i) the amount allotted by the Institute or, (ii) if this is a cost-sharing contract, the amount then allotted by the Institute to the Contract plus the Contractor's corresponding share, exceeds the estimated cost specified in the Schedule. If this is a cost sharing contract, the increase shall be allocated in accordance with the formula specified in the Schedule.
- (g) No notice, communication, or representation in any form other than that specified in subparagraph (e)(2) above, or from any person other than a duly authorized representative of JPL, shall affect the amount allotted by the Institute to this Contract. In the absence of the specified notice, the Institute is not obligated to reimburse the Contractor for any costs in excess of the total amount allotted by the Institute to this Contract, whether incurred during the course of the Contract or as a result of termination.
- (h) When and to the extent that the amount allotted by the Institute to the Contract is increased, any costs the Contractor incurs before the increase that are in excess of (i) the amount previously allotted by the Institute to the Contract, or (ii) if this is a cost-sharing Contract, the amount previously allotted by the Institute plus the Contractor's corresponding share, shall be allowable to the same extent as if incurred afterward, unless JPL issues a termination or other notice and directs that the increase is solely to cover termination or other specified expenses.
- (i) Change orders shall not be considered an authorization to exceed the amount allotted by the Institute specified in the Schedule, unless they contain a statement increasing the amount allotted.
- (j) Nothing in this Article shall affect the right of JPL to terminate this Contract. If this Contract is terminated, JPL and the Contractor shall negotiate an equitable distribution of all property produced or purchased under the Contract, based upon the share of costs incurred by each.
- (k) If the Institute does not allot sufficient funds to allow completion of the work, the Contractor is entitled to a percentage of the fee specified in the Schedule equaling the percentage of completion of the work contemplated by this Contract.

ARTICLE GP-74. LIMITATION OF COST

- (a) The parties estimate that the total cost for performance of this Contract, exclusive of any fee, will not cost the Institute more than (i) the estimated cost specified in the Schedule, or, (ii) if this is a cost-sharing contract, the Institute's share of the estimated cost specified in the Schedule. The Contractor agrees to use its best efforts to perform the work specified in the Schedule and all obligations under this Contract within the estimated cost, which, if this is a cost-sharing contract, includes both the Institute's and the Contractor's share of the cost.
- (b) The Contractor shall notify JPL in writing whenever it has reason to believe that:
 - (1) The costs the Contractor expects to incur under this Contract in the next 60 days, when added to all costs previously incurred, will exceed 75% of the estimated cost specified in the Schedule; or
 - (2) The total cost for the performance of this Contract, exclusive of any fee, will be either greater or substantially less than had been previously estimated.
- (c) As part of the notification, the Contractor shall provide JPL a revised estimate of the total cost of performing this Contract.
- (d) Except as required by other provisions of this Contract, specifically citing and stated to be an exception to this Article:
 - (1) The Institute is not obligated to reimburse the Contractor for costs incurred in excess of (i) the estimated cost specified in the Schedule or, (ii) if this is a cost-sharing Contract, the estimated cost to the Institute specified in the Schedule; and
 - (2) The Contractor is not obligated to continue performance under this Contract (including actions under the "Termination" Article of this Contract) or otherwise incur costs in excess of the estimated cost specified in the Schedule, until JPL (i) notifies the Contractor in writing that the estimated cost has been increased and (ii) provides a revised estimated total cost of performing this Contract. If this is a cost-sharing Contract, the increase shall be allocated in accordance with the formula specified in the Schedule.
- (e) No notice, communication, or representation in any form other than that specified in subparagraph (d)(2) above, or from any person other than a duly authorized representative of JPL shall affect the estimated cost of this Contract. In the absence of the specified notice, the Institute is not obligated to reimburse the Contractor for any costs in excess of the estimated cost, or if this is a cost-sharing Contract, for any costs in excess of the estimated cost to the Institute specified in the Schedule, whether those excess costs were incurred during the course of the Contract or as a result of termination.
- (f) If the estimated cost specified in the Schedule is increased, any costs the Contractor incurs before the increase that are in excess of the previously estimated cost shall be allowable to the same extent as if incurred afterward, unless JPL issues a termination or other notice directing that the increase is solely to cover termination or other specified expenses.
- (g) Directions, orders, notices, requests and the like issued by JPL pursuant to the "Changes" Article or any other provision of this Contract shall not be considered an authorization to exceed the estimated cost specified in the Schedule, in the absence of a statement in a Unilateral Modification or other Contract Modification increasing the estimated cost.

ARTICLE GP-75. EXCUSABLE DELAYS

- (a) Except for defaults of subcontractors at any tier, the Contractor shall not be in default because of any failure to perform this Contract under its terms if the failure arises from causes beyond the control and without the fault or negligence of the Contractor. Examples of these are (i) acts of God or of the public enemy, (ii) acts of the Government in either its sovereign or contractual capacity, (iii) fires, (iv) floods, (v) epidemics, (vi) quarantine restrictions, (vii) strikes, (viii) freight embargoes, and (ix) unusually severe weather. In each instance, the failure to perform must be beyond the control and without the fault or negligence of the Contractor. "Default" includes failure to make progress in the work so as to endanger performance.

- (b) If the failure to perform is caused by the failure of a subcontractor at any tier to perform or make progress, and if the cause of the failure was beyond the control of both the Contractor and subcontractor, and without the fault or negligence of either, the Contractor shall not be deemed to be in default, unless:
 - (1) The subcontracted supplies or services were obtainable from other sources;
 - (2) JPL ordered the Contractor in writing to purchase these supplies or services from the other source; and
 - (3) The Contractor failed to comply reasonably with this order.
- (c) Upon request of the Contractor, JPL shall ascertain the facts and extent of the failure. If JPL determines that any failure to perform results from one or more of the causes above, the delivery schedule shall be revised, subject to the rights of the Institute under the "Termination" Article of this Contract.

ARTICLE GP-76. EQUIPMENT (EXCLUDING VEHICLES), TOOLS AND MATERIAL (CONTRACTOR PERSONNEL IN RESIDENCE AT JPL)

(This Article applies if the Contract work will be performed at a JPL-controlled facility, and tools, equipment, or materials will be issued to the Contractor's personnel by JPL.)

- (a) Contractor personnel will not bring work items, i.e., tools, equipment (for example, personal computers and printers), or material, upon the premises while working at a JPL-controlled facility. JPL will provide those items necessary for performance of work at a JPL-controlled facility, and such items shall not be removed from the premises unless removal from JPL premises is specifically authorized by the JPL Supply and Equipment Section Manager or designated representative. Items so provided shall not be considered "Government-Furnished Property," and will not be subject to the "Government Property" Article of this Contract, but will be issued to individual Contractor personnel. Contractor personnel will be held to the same standards of conduct regarding such items as JPL employees, that is:
 - (1) Contractor personnel shall promptly notify their supervisor or the Cognizant JPL Technical Representative of any loss, damage, or destruction of items issued to them.
 - (2) The Contractor will be held liable for any loss, damage, or destruction of such items resulting from gross negligence, willful misconduct, unlawful appropriation by its personnel for personal use or benefit, or use for other than JPL business on the part of its personnel.
- (b) The Contractor agrees to inform its personnel who may work at a JPL-controlled facility of this procedure and of their responsibilities. JPL will advise the Contractor promptly upon determining that any Contractor personnel has failed to return or satisfactorily account for any item issued to such personnel. The Contractor agrees that JPL may withhold from any monies due or to become due the Contractor under this Contract, or to otherwise reimburse JPL, the value of any items issued to Contractor personnel and neither returned nor satisfactorily accounted for upon completion of work under this Contract or when so requested by JPL.

ARTICLE GP-77. FELONY CONVICTION INFORMATION (CONTRACTOR PERSONNEL IN RESIDENCE AT JPL)

(This Article applies to contracts/subcontracts when contractor- and/or subcontractor-furnished personnel will be performing work in residence at JPL-controlled facilities.)

When access to JPL facilities is required by Contractor personnel, the Contractor shall provide JPL-requested personnel access information, including a Contractor Personnel Access Request (form JPL 1943), attached hereto, executed by the Contractor and the person requiring access. This request shall be provided to the JPL Plant Protection Office at least 24 hours prior to the time access is required to JPL premises. JPL reserves the right to approve or deny access to its facilities, based on the response given on form JPL 1943 or on other information available to JPL.

ARTICLE GP-78. PURCHASING ADP EQUIPMENT

In the event the Contractor contemplates purchasing Automated Data Processing (ADP) equipment for which title will vest in the Government, the Contractor shall submit the necessary data to enable JPL to prepare an adequate ADP Plan and shall not initiate any procurement action or acquire any ADP equipment without formal JPL approval.

ARTICLE GP-79. TERMINATION OF DEFINED BENEFIT PENSION PLANS

- (a) This Article is applicable if certified cost or pricing data is required and if any preaward or post-award cost determinations will be subject to FAR subpart 31.2 cost principles for commercial organizations.
- (b) The Contractor shall promptly notify the JPL Negotiator in writing when it determines that it will terminate a defined benefit pension plan or otherwise recapture such pension fund assets. If pension fund assets revert to the Contractor or are constructively received by it under a termination or otherwise, the Contractor shall make a refund or give a credit to the Institute for its equitable share reflecting the Institute's participation in pension costs through those contracts for which certified cost or pricing data were submitted or which are subject to subpart 31.2. The Contractor shall include the substance of this Article in all subcontracts under this Contract for which it is anticipated that certified cost or pricing data will be required and for which any preaward or post-award cost determinations will be subject to FAR subpart 31.2, cost principles for commercial organizations (i.e., which meet the applicability requirement of FAR 15.804-8(e)).

ARTICLE GP-80. REVERSION OR ADJUSTMENT OF PLANS FOR POSTRETIREMENT BENEFITS OTHER THAN PENSIONS (PRB)

- (a) This Article is applicable if certified cost or pricing data is required and if any preaward or post-award cost determinations will be subject to FAR subpart 31.2 cost principles for commercial organizations.
- (b) The Contractor shall promptly notify the JPL Negotiator in writing when it determines that it will terminate or reduce a PRB plan. If PRB fund assets revert, or inure, to the Contractor or are constructively received by it under a plan termination or otherwise, the Contractor shall make a refund or give a credit to the Institute for its equitable share as required by FAR 31.205-6(o)(5). The Contractor shall include the substance of this clause in all subcontracts under this Contract for which it is anticipated that certified cost or pricing data will be required and for which any preaward or post-award cost determinations will be subject to FAR subpart 31.2, cost principles for commercial organizations (i.e., which meet the applicability requirements of FAR 15.804-8(f)). The resulting adjustment to prior years' PRB costs will be determined and applied in accordance with FAR 31.205-6(o).

ARTICLE GP-81. PAYMENT FOR OVERTIME PREMIUMS

- (a) Allowable cost shall not include any amount on account of overtime premiums, except to the extent that they either:
 - (1) Are approved in writing by JPL; or
 - (2) Are paid for work:
 - (A) Necessary to cope with emergencies such as those resulting from accidents, natural disasters, breakdowns of production equipment, or occasional production bottlenecks of a sporadic nature;
 - (B) By indirect-labor employees such as those performing duties in connection with administration, protection, transportation, maintenance, standby plant protection, operation of utilities, or accounting;
 - (C) To perform tests, industrial processes, laboratory procedures, loading or unloading of transportation conveyances, and operations in flight or afloat that are continuous in nature and cannot reasonably be interrupted or completed otherwise; or
 - (D) That will result in lower overall costs to the Institute.

- (E) For pre-launch activities and mission performance or delivery related events of an urgent nature.
- (b) The cost of overtime premiums otherwise allowable under (a) above shall be allowed only to the extent the amount thereof is reasonable and properly allocable to the work under this Contract.
- (c) Any request for estimated overtime premiums submitted for approval pursuant to (a) (1) above shall include all estimated overtime for contract completion and shall:
- (1) Identify the work unit, e.g., department or section in which the requested overtime will be used, together with present workload, staffing, and other data of the affected unit sufficient to permit JPL to evaluate the necessity for the overtime;
 - (2) Demonstrate the effect that denial of the request will have on contract delivery or performance schedule;
 - (3) Identify the extent to which approval of overtime would affect the performance or cost in connection with other JPL contracts, together with identification of each affected contract; and
- (4) Provide reasons why the required work cannot be performed by using multishift operations or by employing additional personnel.

ARTICLE GP-82. RIGHTS IN PROPERTY AND DATA ALLOCATION (COST-SHARE CONTRACTS)

Whether or not this Contract provides for any cost sharing, rights in data and property are determined as though all costs of performance were to be reimbursed by the Institute.

MANAGEMENT OF GOVERNMENT PROPERTY IN THE POSSESSION OF CONTRACTORS

- (a) Scope. This document prescribes the minimum requirements contractors must meet in establishing and maintaining control over Government property. It applies to contractors organized for profit and, except as otherwise noted, to nonprofit organizations. In order for the special requirements in this document governing nonprofit organizations to apply, the Contract must identify the Contractor as a nonprofit organization. If there is any inconsistency between this document and the terms of the Contract under which the Government property is provided, the terms of the Contract shall govern. JPL's Contractors are to respond to JPL as the prime contractor. All NASA directives do not necessarily apply to JPL. specifically, directives pertaining to the use of NEMS tags and the NASA Form 1018 reporting period.
- (b) Definitions.
- (1) "Accessory item," as used in this document, means an item that facilitates or enhances the operation of plant equipment but which is not essential for its operation.
 - (2) "Agency-peculiar property," as used in this document, means Government-owned personal property that is peculiar to the mission of NASA (e.g., space property). It excludes Government material, special test equipment, special tooling, and facilities.
 - (3) "Auxiliary item," as used in this document, means an item without which the basic unit of plant equipment cannot operate.
 - (4) "Centrally reportable equipment," as used in this document, means that plant equipment, special test equipment (including components), special tooling, and non-flight space property (including ground support equipment) which is (i) generally commercially available and used as a separate item or component of a system, (ii) is valued at \$1,000 or more, and (iii) is identifiable by a manufacturer and model number.
 - (5) "Contractor-acquired property," as used in this document, means property acquired or otherwise provided by the Contractor for performing a contract with JPL and to which the Government has title.
 - (6) "Custodial records," as used in this document, means written memoranda of any kind, such as requisitions, issue hand receipts, tool checks, and stock record books, used to control items issued from tool cribs, tool rooms, and stockrooms.
 - (7) "Discrepancies incident to shipment," as used in this document, means all deficiencies incident to shipment of Government property to or from a contractor's facility whereby differences exist between the property purported to have been shipped and property actually received. Such deficiencies included loss, damage, destruction, improper status and condition coding, errors in identity or classification, and improper consignment.
 - (8) "Facilities," as used in this document, means property used for production, maintenance, research, development, or testing. It includes plant equipment and real property. It does not include material, special test equipment, special tooling, or agency-peculiar property.
 - (9) "Government property," as used in this document, includes JPL-furnished, Government-owned property and contractor-acquired property.
 - (10) "Government-furnished property (GFP)," as used in this document, means JPL-furnished, Government-owned property in the possession of or directly acquired by the Government and subsequently made available by JPL to the Contractor.
 - (11) "Individual item record," as used in this document, means a separate card, form, document or specific line(s) of computer data used to account for one item of property.
 - (12) "Material", as used in this document, means property that may be incorporated into or attached to a deliverable end item or that may be consumed or expended in performing a contract. It includes assemblies, components, parts, raw and processed materials, and small tools and supplies that may be consumed in normal use in performing a contract.

- (13) "Nonprofit organization," as used in this document, means any corporation, foundation, trust, or institution operated for scientific, educational, or medical purposes, which is not organized for profit, and from which no part of the net earnings inures to the benefit of any private shareholder or individual.
- (14) "Plant equipment," as used in this document, means personal property of a capital nature (including equipment, machine tools, test equipment, furniture, vehicles, and accessory and auxiliary items) for use in manufacturing supplies, in performing services, or for any administrative or general plant purpose. It does not include special tooling or special test equipment.
- (15) "Property Administrator," as used in this document, means an authorized representative of the Contracting Officer or an authorized representative of JPL assigned to administer the contract requirements and obligations relating to Government property.
- (16) "Real property," as used in this document, means land and rights in land, ground improvements, utility distribution systems, and buildings and other structures. It does not include foundations and other work necessary for installing special tooling, special test equipment, or plant equipment.
- (17) "Salvage," as used in this document, means property that, because of its worn, damaged, deteriorated, or incomplete condition or specialized nature, has no reasonable prospect of sale or use as serviceable property without major repairs, but has some value in excess of its scrap value.
- (18) "Scrap," as used in this document, means personal property that has no value except for its basic material content.
- (19) "Space property," as used in this document, means personal property which is peculiar to aeronautical and space programs of NASA and is not otherwise included in the categories of property in FAR 45.501 and any corresponding supplementing provisions of the NASA FAR SUPPLEMENT (NFS). It includes such items as aircraft, engines, space vehicles, and other similar components and related support equipment. The term "space property" is synonymous with the term "agency-peculiar property," as defined in paragraph (a)(2) above.
- (20) "Special test equipment," as used in this document, means either single or multipurpose integrated test units engineered, designed, fabricated, or modified to accomplish special purpose testing in performing a contract. It consists of items or assemblies of equipment that are interconnected and interdependent so as to become a new functional entity for special testing purposes. It does not include material, special tooling, facilities (except foundations and similar improvements necessary for installing special test equipment), and plant equipment items used for general plant testing purposes.
- (21) "Special tooling," as used in this document, means jigs, dies, fixtures, molds, patterns, taps, gauges, other equipment and manufacturing aids, all components of these items, and replacements of these items, which are of such a specialized nature that without substantial modification or alteration their use is limited to the development or production of particular supplies or parts thereof or to the performance of particular services. It does not include consumable property, material, special test equipment, facilities (except foundations and similar improvements necessary for installing special tooling), general or special machine tools, or similar capital items.
- (22) "Stock record," as used in this document, means a perpetual inventory record which shows by nomenclature the quantities of each item received and issued and the balance on hand.
- (23) "Utility distribution system," as used in this document, includes distribution and transmission lines, substations, or installed equipment forming an integral part of the system by which gas, water, steam, electricity, sewage, or other utility services are transmitted between the outside building or structure in which the services are used and the point of origin, disposal, or connection with some other system. It does not include communication services.
- (24) "Work-in-process," as used in this document, means material that has been released to manufacturing, engineering, design or other services under the contract and includes undelivered manufactured parts, assemblies, and products, either complete or incomplete.

(c) Contractor Responsibility.

- (1) The Contractor is directly responsible and accountable for all Government property in accordance with the provisions of this Contract. This includes Government property in the possession or control of a subcontractor. The Contractor shall establish and maintain a system in accordance with this document to control, protect, preserve, and maintain all Government property. This property control system shall be in

writing unless the Property Administrator determines that maintaining a written system is unnecessary. The system shall be reviewed and, if satisfactory, approved in writing by the property administrator.

- (2) The Contractor shall maintain and make available the records required by this document and account for all Government property until relieved of that responsibility. The Contractor shall furnish all necessary data to substantiate any request for relief from responsibility.
- (3) (A) The Contractor shall be responsible for the control of Government property hereunder upon:
 - (i) Delivery by JPL of GFP into its custody or control;
 - (ii) Delivery, when property is purchased by the Contractor and the Contract calls for reimbursement by JPL (this requirement does not alter or modify contractual requirements relating to passage of title).
 - (iii) Approval of its claim for reimbursement by JPL or upon issuance for use in Contract performance, whichever is earlier, of property withdrawn from Contractor-owned stores and charged directly to the Contract. This is not applicable to fixed-price contracts);
 - (iv) Acquisition by the Government of title to property pursuant to specific contractual provisions, or as a result of termination of a contract, or change orders issued under a contract. For purposes of property control, such property shall, unless otherwise provided by the Contract, be considered Government property upon acceptance of title by JPL.
- (B) Property to which the Government has acquired a lien or title solely as a result of advance, progress, or partial payments is not subject to the requirements of this document.
- (4) The Contractor shall require subcontractors that are provided Government property under this Contract to comply with the requirements of this document. Procedures for assuring subcontractor compliance shall be included in the Contractor's property control system.
- (5) If the property administrator finds any portion of the Contractor's property control system to be inadequate, the Contractor must take any necessary corrective action before the system can be approved. If the Contractor and property administrator cannot agree regarding the adequacy of control and corrective action, the matter shall be referred to the Contracting Officer.
- (6) The Contractor shall promptly report all Government property in excess of the amounts needed to complete full performance under this Contract.
- (7) When unrecorded Government property is found, both the cause of the discrepancy and actions taken or needed to prevent recurrence shall be determined and reported to the property administrator.
- (d) Receipts for Government Property. Receipts for Government property shall comply with the instructions for preparation of NASA Form 1018, Report of Government-Owned/Contractor-Held Property (see NFS 18-45.7101).
- (e) Discrepancies Incident to Shipment.
 - (1) GFP. If overages, shortages, or damages are discovered upon receipt of GFP, the Contractor shall provide a statement of the condition and apparent causes to the property administrator and to JPL. Only that quantity of property actually received will be recorded on the official records.
 - (2) Contractor-acquired property. The Contractor shall take all actions necessary in adjusting overages, shortages, or damages in shipment of Contractor-acquired property from a vendor or supplier. However, when the shipment has moved by Government bill of lading and carrier liability is indicated, the Contractor shall report the discrepancy in accordance with paragraph (1) above.
- (f) The policy on the provision of Government property (both Government-furnished and contractor acquired) is prescribed in FAR 45.102 and NFS 18-45.102.
- (g) GFP. JPL will describe all GFP in the Contract Schedule or specifications, regardless of property category. Additional GFP must be described in a modification to the Contract. Furthermore, to obtain additional Government-furnished facilities, the Contractor must submit a written statement prescribed by FAR 45-302.1(a)(4) and any corresponding supplementing provisions of the NFS.
- (h) Contractor-Acquired Property. The acquisition (and fabrication) of Government property is subject to the following conditions, depending on category of property:

- (1) Centrally Reportable Equipment Not Otherwise Identified (unless for incorporation into flight qualified or flight monitoring deliverable end items).
 - (A) The Contractor shall provide JPL, at the earliest possible date, a detailed listing of requirements for screening of existing Government inventories. DD Form 1419, DOD Industrial Plant Equipment Requisition, will be prepared for each item of centrally reportable equipment to be acquired and forwarded to JPL for screening of the NASA Equipment Management System and other Government-available-equipment list for each item required, at least 30 days prior to beginning fabrication of or placement of a purchase order or subcontract for such equipment. In the event a certificate of non-availability is not received within such period, the Contractor may proceed to acquire the equipment or components, subject to any other applicable provisions of this Contract.
 - (B) Instructions for preparing the DD Form 1419 are contained in NFS 18-45.7103.
 - (C) See page 8(q)(1) DD Form 1342 (DOD Property Record) for reporting property acquisitions.
- (2) Facilities.
 - (A) Prior JPL approval, if not already described in a contract Schedule as Contractor acquired.
 - (B) Submission of DD Form 1419, "DOD Industrial Plant Requisition," and return of Certificate of Nonavailability if it qualifies as Centrally Reportable Equipment (CRE).
 - (C) Submission of a written statement prescribed by FAR 45.302-1(a)(4) and any corresponding supplementing provisions of the NFS.
- (3) Material. If a subcontracts clause is part of the Contract, advance notification to JPL and JPL consent as may be required by that clause.
- (4) Agency Peculiar.
 - (A) If a subcontracts clause is part of the Contract, advance notification to JPL and JPL consent as may be required by that clause.
 - (B) Submission of DD Form 1419 and return of Certificate of Nonavailability if it (or any component) qualifies as CRE.
- (5) Special tooling.
 - (A) If a "Subcontracts" clause is part of the Contract, advance notification to JPL and JPL consent as may be required by that clause.
 - (B) If a fixed-price contract, submission of the list to JPL within 60 days after delivery of the first production end items (or later as prescribed by JPL) unless already identified in the solicitation.
 - (C) Submission of DD Form 1419 and return of Certificate of Nonavailability if it (or any component) qualifies as CRE.
- (6) Special test equipment.
 - (A) JPL approval 30 days in advance if not identified in the Contract (on negotiated procurements).
 - (B) Submission of DD Form 1419 and return of Certificate of Nonavailability if it (or any component) qualifies as CRE.
- (i) Relief from Responsibility.
 - (1) Unless the Contract or JPL provides otherwise, the Contractor shall be relieved of property control responsibility for Government property by:
 - (A) Reasonable and proper consumption of property in the performance of the Contract as determined by the Property Administrator or JPL;
 - (B) Retention by the Contractor, with the approval of JPL and the Contracting Officer, of property for which the Government has received consideration;
 - (C) The authorized sale of property, provided the proceeds are credited to the Contract amount or paid in such a manner as JPL and the Contracting Officer may direct;
 - (D) Shipment from the Contractor's plant, under JPL's and the Government's instructions, except when shipment is to a subcontractor or other location of the Contractor; or

- (E) A determination by JPL and the Contracting Officer of the Contractor's liability for any property that is lost, damaged, destroyed, or consumed in excess of that normally anticipated in a manufacturing or processing operation, if:
 - (i) The determination is furnished to the Contractor in writing;
 - (ii) JPL is reimbursed where required by the determination; and
 - (iii) Property rendered unserviceable by damage is properly disposed of, and the determination is cross-referenced to the shipping or other documents evidencing disposal.
- (2) Nonprofit organizations are relieved of responsibility for Government property when title to the property is transferred to the Contractor.
- (j) Contractor's Liability.
 - (1) Subject to the terms of the Contract and the circumstances surrounding the particular case, the Contractor may be liable for shortages, loss, damages, or destruction of Government property. The Contractor may also be liable when the use or consumption of Government property unreasonably exceeds the allowances provided for by the Contract, the bill of material, or other appropriate criteria.
 - (2) The Contractor shall report in writing all cases of loss, damage, or destruction of Government property in its possession or control to the property administrator and JPL as soon as such facts become known. A written report shall also be furnished when completed and accepted products or end items are lost, damaged, or destroyed while in the Contractor's possession or control.
 - (3) The Contractor shall require any of its subcontractors possessing or controlling Government property accountable under the Contract to investigate and report all instances of loss, damage, or destruction of such property.
- (k) Records and Reports of Government Property.
 - (1) The Contractor's property control records shall constitute the Government's and JPL's official property records unless an exception has been authorized. The Contractor shall establish and maintain adequate control records for all Government property, including property provided to and in the possession or control of a subcontractor. The property control records specified in this section are the minimum required by the Government and JPL. Unless the property administrator or JPL directs otherwise, when a subcontractor has an approved property control system for Government property provided under its own prime contracts, the Contractor shall use the records created and maintained under that system.
 - (2) The Contractor's property control system shall provide financial accounts for Government-owned property in the Contractor's possession or control. The system shall be subject to internal control standards and be supported by property records for such property.
 - (3) Official records must identify all Government property and provide a complete, current, auditable record of all transactions. The records shall be safeguarded from tampering or destruction. Records shall be accessible to authorized Government and JPL personnel.
 - (4) Separate property records for each contract are desirable, but a consolidated property record may be maintained if it provides the required information.
 - (5) Special tooling and special test equipment fabricated from materials that are the property of the Government shall be recorded as Government-owned immediately upon fabrication. Special tooling and special test equipment fabricated from materials that are the property of the Contractor shall be recorded as Government property at the time title passes to the Government upon acceptance by JPL.
 - (6) Property records of the type established for components acquired separately shall be used for serviceable components permanently removed from items of Government property as a result of modification.
 - (7) The Contractor's property control system shall contain a system or technique to locate any item of Government property within a reasonable period of time.
- (l) Basic Information. Unless summary records are used as authorized under paragraph (p)(1) below, the Contractor's property control records shall provide the following basic information for every item of Government property in the Contractor's possession, regardless of value (other sections in this document require additional information for specific categories of Government property):

- (1) The name, description (model number, manufacturer, serial number), National Stock Number (if furnished by the Government or available in the property control system) and property identification number;
- (2) Acquisition date;
- (3) Quantity received (or fabricated), issued, and on hand;
- (4) Unit price (and unit of measure);
- (5) This Contract or Purchase Order number;
- (6) Location;
- (7) Disposition; and
- (8) Posting reference and date of transaction.

(m) Records of Pricing Information.

- (1) Requirement for unit prices.
 - (A) The Contractor's property control system shall contain the unit price for each item of Government property except as provided in (2) below. When a contractor records the unit price of property on other than the quantitative inventory records, those supplementary records shall become part of the property records.
 - (B) (Note: This paragraph (B) does not apply to nonprofit organizations.) The requirement that unit prices be contained in the official property records does not apply to those separate property records located at a contractor's sites and subcontractor plants; provided, that:
 - (i) Records maintained by the contractor at its primary site include unit prices; and
 - (ii) The contractor agrees to furnish actual or estimated unit prices to the secondary site or subcontractor as the need arises.
 - (C) When definite information as to unit price cannot be obtained, reasonable estimates will be used.
- (2) Determining unit price.
 - (A) Contractor-acquired and contractor-fabricated property. Except for items fabricated by nonprofit organizations for research and development purposes, the unit price of contractor-acquired and contractor-fabricated property shall be determined in accordance with the system established by the Contractor in conformance with appropriately applied accounting principles as described in Section 31 of the FAR and any corresponding implementing or supplementing provisions in the NFS. Generally, separate unit prices should be applied to items of special tooling and special test equipment fabricated or acquired by the Contractor. However, if the Contractor's accounting system is acceptable, and if maintaining detailed cost records results in excessive accounting cost or is otherwise impracticable, group pricing may be used for special tooling, special test equipment, and work-in-process in accordance with the Contractor's acceptable cost accounting system. All processed material, fabricated parts, components, and assemblies charged to the Contractor's work-in-process inventory, including items in temporary storage while awaiting processing, may be considered as work-in-process for this purpose.
 - (B) GFP. The Government or JPL shall determine and furnish to the Contractor the unit price of GFP. Transportation and installation costs shall not generally be considered as part of the unit price for this purpose. Normally, the unit price of Government-furnished property will be provided on the document covering shipment of the property to the Contractor. In the event the unit price is not provided on the document covering shipment of the property to the Contractor, the Contractor will request it from JPL.

(n) Records of Material.

- (1) General. All Government material furnished to the Contractor, as well as other material to which title has passed to the Government by reason of allocation from Contractor-owned stores or purchase by the Contractor for direct charge to a JPL contract, shall be recorded in accordance with the Contractor's approved property control system and the requirements of this section.
- (2) Consolidated stock record. When a contractor has more than one JPL contract under which Government material is provided, a consolidated record for materials may be authorized by the property administrator,

provided, the total quantity of any item is allocated to each contract by contract number and each requisition of material from contractor-owned stores is charged to the contract on which the material is to be used. The supporting document or issue slip shall show the contract number or equivalent code designation to which the issue is charged.

- (3) Custodial records. The Contractor shall maintain custodial records for tool crib items, guard force items, protective clothing, and other items issued to individuals for use in their work.
- (4) Use of receipt and issue documents. (Note: This paragraph (4) does not apply to nonprofit organizations.) The property administrator may authorize the Contractor to maintain, in lieu of stock records, a file of appropriately cross-referenced documents evidencing receipt, issue, and use of Government-provided material that is issued for immediate consumption and is not entered in the inventory as a matter of sound business practice. This method of control may be authorized for:
 - (A) Material charged through overhead, including but not limited to items used in manufacturing, maintenance, and office supplies;
 - (B) Material under research and development contracts;
 - (C) Subcontracted or outside production items;
 - (D) Nonstock or special items (these items are considered to be those whose procurement cycle is irregular and infrequent);
 - (E) Items that are produced for direct charge to a contract, or are acquired and issued for installation upon receipt, and involve no spoilage; and
 - (F) Items issued from contractor-owned inventory direct to production or maintenance, etc.
- (5) Material issued directly upon receipt. (Note: This paragraph (5) applies only to nonprofit organizations.)
 - (A) Under fixed-price contracts, the Contractor's documents evidencing receipt and issue will be accepted as property control records for Government-furnished material issued directly by the Contractor upon receipt so as to be considered consumed under the Contract.
 - (B) Under cost-reimbursement contracts, Government invoices, contractor's purchase documents, or other evidence of acquisition and issue will be accepted as adequate property records for material furnished to or acquired by the Contractor and issued directly so as to be considered consumed under the Contract.
- (o) Records of Special Tooling and Special Test Equipment. (Note: The special tooling requirements of this section (o) do not apply to nonprofit organizations except for paragraph (3).)
 - (1) The Contractor's property control system shall provide the basic information listed in section (l) above regarding each item of Government-owned special tooling and special test equipment, including any general purpose test equipment incorporated as components in such a manner that removal and reuse may be feasible and economical.
 - (2) If the Contractor uses group pricing of special tooling or special test equipment, as recognized in paragraph (m)(2) above, unit prices may be computed when required.
 - (3) In the case of special tooling acquired or fabricated by nonprofit organizations or furnished by JPL or the Government to nonprofit organizations for research and development, the Contract document will be accepted as adequate property control records.
 - (4) Records identifying special tooling and special test equipment shall include the identification number and item on which used.
 - (5) The Contractor shall, when specified by the Contract, identify and report special tooling and special test equipment by retention category (e.g., assembly tooling or critical tooling for spares or replacements).
- (p) Records of Plant Equipment.
 - (1) The Contractor shall maintain individual item records for each item of plant equipment having a unit cost of \$5,000 or more. Summary stock records may be maintained for plant equipment costing less than \$5,000 per unit, except when the Property Administrator or JPL determines that individual item records are necessary for effective control, calibration, or maintenance.

- (2) In addition to the information required in section (l) above, the Contractor's records of Government-owned plant equipment, regardless of value, shall include:
 - (A) Federal Supply Code for the manufacturer (as listed in Cataloging Handbook H4-1 and H4-2) (available from the Superintendent of Documents, Government Printing Office (GPO), Washington, DC 20402);
 - (B) Federal Supply Classification (Cataloging Handbooks H2-1, H2-2, and H2-3) (available from GPO);
 - (C) The original manufacturer's model or part number.
 - (3) For each item of Government-owned plant equipment having a unit cost of \$5,000 or more, the Contractor shall, in addition to the requirements of (2) above, include:
 - (A) Serial number and year built (when available);
 - (B) Government identification/tag number; and
 - (C) Acquisition and disposition document references and dates.
 - (4) JPL may unilaterally determine that the information in paragraph (3)(A) and (B) above should be recorded in the property records for plant equipment costing less than \$5,000.
 - (5) Accessory and auxiliary equipment shall be recorded on the record of the associated item of plant equipment. If the accessory or auxiliary item is not attached to, a part of, or acquired for use with a specific item of plant equipment, it shall be recorded either in an individual item record or in a summary stock record. When accessory and auxiliary items are permanently separated from the basic item of plant equipment, the unit price of the basic item shall be appropriately reduced.
- (q) Special Reports of Government Property (Reporting Centrally Reportable Equipment).
- (1) JPL requires that Contractor-acquired equipment as defined in (b)(4) above, "Centrally Reportable Equipment," be reported to JPL. A DD Form 1342, "DOD Property Record," shall be submitted (i) at the time of receipt and acceptance of accountability, and (ii) when major changes occur in the data initially submitted to JPL.
 - (2) The Contractor shall report excess Government property to JPL on Inventory Schedules (Standard Forms 1426-1434) when the property is no longer required for contract performance. (Reference paragraph (dd)(4)(A) of this form.)
 - (3) Each year the Contractor will be provided a verification listing of property accountable to the Contract.. At the direction of JPL, the Contractor shall verify the correctness of this listing or provide the necessary corrections.
- (r) Nonstandard Unique Equipment. For nonstandard unique equipment having a value of \$5,000 or more which is either fabricated by the Contractor or acquired from sources other than NASA or JPL, the Contractor shall provide the following information when such equipment becomes excess to the Contractor's needs:
- (1) Nomenclature;
 - (2) Contractor-assigned identification number;
 - (3) A brief functional description, include sketches, schematics, performance characteristics, operational manuals, etc., if available;
 - (4) List of major components having a unit value of \$5,000 or more; and
 - (5) Cost.
- (s) Records of Real Property.
- (1) The Contractor shall maintain an itemized record of the description, location, acquisition cost, and disposition of all Government real property (including unimproved real property); all alterations, all construction work, and sites connected with such alteration and construction, acquired by purchase, lease, or otherwise. These records, including maps, drawings, plans, specifications, and supplementary data where necessary, shall (i) be complete, (ii) show the original cost of the property and improvements and the cost of any changes and additions, and (iii) be appropriately indexed.

- (2) Costs incurred by the Contractor or JPL for new construction, including erection, installation, or assembly of real property in possession of the Contractor for JPL, shall be capitalized in the official Government real property records and financial accounts maintained by the Contractor for JPL.
 - (3) Costs incurred for additions, expansions, extensions, conversions, alterations, and improvements, including applicable portions of capital maintenance, that increase the value, life, utility, capability, or serviceability of Government real property shall be capitalized.
 - (4) Costs incurred for portable buildings or facilities specifically constructed for tests that involve destruction of the facility shall not be capitalized in the Government real property records or financial accounts.
 - (5) Costs incurred for maintenance, repair, or rearrangement to maintain the Government real property in good physical condition, utility, capacity, or serviceability shall be charged to expense, and the real property records shall not be affected.
 - (6) When Government-owned real property is sold, transferred, donated, destroyed by fire or other cause, abandoned-in-place, or condemned, the financial accounts shall be reduced by the presently recorded cost and the real property records annotated with a supporting statement, including pertinent facts.
- (t) Records of Scrap or Salvage.
- (1) The Contractor shall maintain records of all scrap or salvage generated, except as provided in section (bb) below. These records shall conform to the Contractor's established system of scrap and salvage control approved by the property administrator, who shall take into consideration the need for protecting the Government's and JPL's interest in the proration, disposition, and allocation of proceeds resulting therefrom.
 - (2) The Contractor's property control system shall provide the following information:
 - (A) Contract or purchase order number, if practical, from which the scrap or salvage derived;
 - (B) Nomenclature or description of salvable items or classification (material content) of scrap;
 - (C) Quantity on hand;
 - (D) Posting reference and date of transaction; and
 - (E) Disposition, including record of JPL authorization.
- (u) Records of Related Data and Information. The Contractor shall maintain property control and accountability, in accordance with sound business practice, of manufacturing or assembly drawings; installation, operation, repair, or maintenance instructions; and other similar information furnished to the Contractor by the Government or JPL or generated or acquired by the Contractor under the Contract and for which title vests in the Government. The requirements of this document do not otherwise apply to such property.
- (v) Records of Completed Products. The Contractor shall maintain a record of all completed products produced under a contract as follows:
- (1) When there is no time lapse between JPL inspection and acceptance of the completed products and shipment from the plant site, the records shall, as a minimum, consist of a summary of quantities accepted and shipped. When end items are accepted by JPL and stored with the Contractor awaiting shipment, the record shall identify quantities stored, location, and disposition action.
 - (2) On contracts that provide for the Contractor to retain completed products for further use under the Contract or other contracts, such items shall be considered "GFP" upon acceptance and shall be recorded as required by this section.
 - (3) When completed products are returned to a contractor under the terms of a warranty clause, the contractor shall maintain, by contract, a record containing a description of the items involved, quantities received and returned to JPL, and other pertinent data necessary to determine that a proper accounting for all property has been made.
- (w) Records of Transportation and Installation Costs of Plant Equipment. (Note: This section (w) does not apply to nonprofit organizations.)
- (1) Transportation costs.

- (A) The Contractor shall record within the property control system the transportation and installation costs directly borne by JPL for each item of Government-owned plant equipment with an acquisition cost of \$5,000 or more. The Contracting Officer through JPL may require the Contractor to provide such recorded costs for use in computing rental charges.
- (B) If transportation costs are not included in the price of equipment delivered, the Contractor shall contact the property administrator or JPL for instructions for obtaining applicable freight data.

- (2) Installation costs.
 - (A) When the Contractor performs installation, the cost shall be computed in accordance with the Contractor's accounting system (if the system is acceptable for other Contract cost determination purposes) and recorded in the property record.
 - (B) When installation is subcontracted, the Contractor shall record the cost paid to the subcontractor in the property record.
 - (C) When installation costs are included in the price of equipment delivered to the using location, the property records should be so annotated.
- (x) Records of Misdirected Shipments. The Contractor's property control system shall provide the following information regarding each misdirected shipment of Government property received:
 - (1) Identity of shipment, such as shipping document or bill of lading;
 - (2) Origin of shipment;
 - (3) Content (items in the shipment) per shipping documents, if available;
 - (4) Location; and
 - (5) Disposition.
- (y) Records of Property Returned for Rework.
 - (1) The Contractor shall maintain quantitative records of property returned for processing to assure control from time of receipt through return of the items to JPL. The Contractor shall establish item records under its property control system and shall include the information required in section (I) above.
 - (2) The records shall specify the quantity of units returned to JPL and the quantity otherwise disposed of with proper authority.
- (z) Reports of Government Property.
 - (1) Property accounts. The Contractor's property control system shall be such as to provide annually the total acquisition cost of Government property for which the Contractor is accountable in the following classifications in accordance with instructions in NFS 18-45.71:
 - (A) Land and rights therein;
 - (B) Buildings;
 - (C) Other structures and facilities;
 - (D) Leasehold improvements;
 - (E) Construction in progress;
 - (F) Equipment;
 - (G) Special test equipment;
 - (H) Special tooling;
 - (I) Agency peculiar;
 - (J) Material; and
 - (K) Contract work in process.
 - (2) Facilities, special tooling, equipment, and special test equipment. The Contractor's accounts covering items in paragraphs (1)(A) through (I) above will be susceptible to local reconciliation in totals and subtotals as to whether Contractor-acquired or Government-furnished.
 - (3) Agency-peculiar property. Includes actual or estimated costs of completed items, systems and subsystems, spare parts and components unique to NASA aeronautical and space programs. Examples include aircraft, engines, satellites, instruments, rockets, prototypes and mock-ups. The amount of property, title to which vests in the Government as a result of progress payments to fixed-price subcontractors, shall be included to reflect the pro rata cost of undelivered agency-peculiar property.

- (4) Material and contract work in process. The Contractor's property control system shall be such as to provide the dollar value of items in paragraphs (1) (J) and (K) above for which it is accountable, regardless of value. Includes the costs of all work-in-process and excludes the costs of completed items reported in other categories.
- (5) Submission of reports. The Contractor shall submit a completed NASA Form 1018, "NASA Property in the Custody of Contractors," or equivalent, (or negative report) annually to JPL. Failure to submit the report when due (date to be determined by JPL) may be deemed noncompliance with contract requirements, and final payment may be withheld in accordance with the Article entitled "Allowable Cost and Payment."

(aa) Identification.

- (1) The Contractor shall identify, mark, and record all Government property promptly upon receipt, unless exempted by this section, and shall record assigned numbers on all applicable documents pertaining to the property control system. NASA NEMS tags shall be affixed to property as directed by JPL. Markings shall be removed or obliterated when Government property is sold, scrapped, or donated.
- (2) All Government material and plant equipment having an acquisition cost less than \$5,000 shall be identified as Government property except in those cases where:
 - (A) No material or plant equipment of the same type costing less than \$5,000 at the same location is owned by the Contractor or its employees.
 - (B) Adequate physical control is maintained over protective clothing, tool crib, guard force, and other items issued to individuals for use in their work;
 - (C) Property is of bulk type, or its general nature of packing or handling precludes adequate marking; or
 - (D) Property is commingled, as authorized by section (bb) below.
- (3) In accordance with procedures approved by JPL, the Contractor shall mark Government-owned special tooling and special test equipment with a serial number and identification number and an indication of NASA ownership, including the recognition that JPL is responsible for funding and control of the property when appropriate. NASA NEMS tags shall be affixed to property as directed by JPL. If marking will damage the equipment or is otherwise impracticable, the Contractor shall promptly report the problem to the property administrator. The Contractor shall mark in a manner similar to plant equipment all components of special test equipment that have an acquisition cost of \$5,000 or more and are incorporated in a manner that makes removal and reutilization feasible and economical.
- (4) The Contractor shall identify Government-owned plant equipment as such, unless (i) summary records are used as authorized under paragraph (p)(1) above, (ii) it is excluded under paragraph (aa)(2) above, or (iii) when the size or nature of the equipment makes identification impracticable. (Excepted items shall be entered and described on the equipment property record.) Property shall be identified by a legible, permanent, conspicuous, and tamper-proof method (e.g., decals, plates, stamping, etc.). Identification shall consist of a serial number and an indication of NASA ownership (unless already properly identified as NASA property). NASA NEMS tags shall be affixed to property as directed by JPL.
- (5) Accessory or auxiliary equipment associated with a specific item of plant equipment and recorded on the property records need not be marked with an identification number, unless necessary to assure its return with the associated basic item.

(bb) Segregation of Government Property. Government property shall be kept physically separate from Contractor-owned property. However, when advantageous to the Government or JPL and consistent with the Contractor's authority to use such property, the property may be commingled:

- (1) When the Government property is special tooling, special test equipment, or plant equipment clearly identified and recorded as Government property;
- (2) When approved by the property administrator in connection with research and development contracts;
- (3) When (i) scrap of a uniform nature is produced from both Government-owned and Contractor-owned material and physical segregation is impracticable, (ii) scrap produced from Government-owned material is insignificant in consideration of the cost of segregation and control, or (iii) Government contracts involved are fixed-price and provide for the retention of the scrap by the Contractor; or
- (4) When otherwise approved by the property administrator.

(cc) Physical Inventories. The Contractor shall periodically physically inventory all Government property (except materials issued from stock for manufacturing, research, design, or other services required by the Contract) in its possession or control and shall cause subcontractors to do likewise. Physical inventories consist of sighting, tagging or marking, describing, recording, reporting, and reconciling the property with the records. The Contractor, with the approval of JPL, shall establish the type, frequency, and procedures. Type and frequency of inventory should be based on the Contractor's established practices, the type and use of the Government property involved, or the amount of Government property involved and its monetary value, and the reliability of the Contractor's property control system. Type and frequency of physical inventories normally will not vary between contracts being performed by the Contractor, but may vary with the types of property being controlled. Personnel who perform the physical inventory shall not be the same individuals who maintain the property records or have custody of the property unless the Contractor's operation is too small to do otherwise. JPL contractors shall complete reconciliations of inventories described in this section (cc) with the official property records and shall submit reports to the property administrator within 30 days after the completion of an inventory. All instances of loss of property and discovery of unrecorded property shall be investigated by the Contractor to determine (i) the cause of the discrepancy and (ii) actions needed to prevent recurrence of the discrepancy. It may be determined by the property administrator that JPL will perform the physical inventory.

(dd) Inventories upon Termination or Completion.

- (1) General. Immediately upon termination or completion of a contract, the Contractor shall perform and cause each subcontractor to perform a physical inventory, adequate for disposal purposes, of all Government property applicable to the contract, unless the requirement is waived as provided in paragraph (2) below.
- (2) Exception. The requirement for physical inventory at the completion of a contract may be waived by the property administrator when the property is authorized for use on a follow-on contract; provided, that:
 - (A) Experience has established the adequacy of property controls and an acceptable degree of inventory discrepancies; and
 - (B) The Contractor provides a statement indicating that record balances have been transferred in lieu of preparing a formal inventory list and that the Contractor accepts responsibility and accountability for those balances under the terms of the follow-on contract.
- (3) Listings for disposal purposes. (Note: This paragraph (3) applies only to nonprofit organizations.)
 - (A) Standard items that have been modified may be described on listings for disposal purposes as standard items with a general description of the modification.
 - (B) Items that have been fabricated, such as test equipment, shall be described in sufficient detail to permit a potential user to determine whether they are of sufficient interest to warrant further inspection.
- (4) Preparation of inventory schedule.
 - (A) Subsequent to termination or completion of this Contract, or determination that property is no longer required for contract performance, the Contractor shall prepare and submit to JPL appropriate inventory schedules as specified in FAR 45.606 and any corresponding supplementing provisions of the NFS (except that in FAR 45.606 the term "plant clearance officer" shall be deemed to mean "property administrator") which reflect all remaining property purchased, fabricated, or constructed with Contract funds and/or property supplied to the Contractor by JPL for the performance of this Contract. The schedules will reflect an appropriate nomenclature, description, quantity, acquisition cost, FSC (Federal Supply Classification), and condition code for each item of property.
 - (B) Inventory schedules shall be signed by an authorized representative of the Contractor, prior to submittal to JPL for disposal action.
 - (C) When no Government property has been furnished to or acquired by the Contractor under this contract, inventory schedules will not be required; instead, a properly completed Property Close-out Certificate, form JPL 0948 (see Exhibit 1), shall be submitted.
- (5) Disposition of residual property.

- (A) Upon submittal of four executed copies of the appropriate inventory schedules to JPL, screening and disposal action will be initiated. Additional copies of the appropriate inventory schedules shall be furnished upon request.
- (B) Disposition of residual property shall be made in accordance with specific instructions furnished by the Plant Clearance Officer or the JPL Property Administrator.
- (6) A Property Close-out Certificate, JPL form 0948, or equivalent shall be completed, signed by the Contractor's authorized representative and returned to JPL prior to final payment being effected.
- (ee) Reporting Results of Inventories. The Contractor shall, as a minimum, submit the following to JPL promptly after completing the physical inventory:
 - (1) A listing that identifies all discrepancies disclosed by a physical inventory;
 - (2) A signed statement that physical inventory of all or certain classes of Government property was completed on a given date and that the official property records were found to be in agreement except for discrepancies reported.
- (ff) Quantitative and Monetary Control. When requested by JPL, the Contractor's reports of results of physical inventory shall be prepared on a quantitative and monetary basis and segregated by categories of property.
- (gg) Care, Maintenance, and Use. The Contractor shall be responsible for the proper care, maintenance, and use of Government property in its possession or control from the time of receipt until properly relieved of responsibility, in accordance with sound industrial practice and the terms of the Contract. The removal of Government property to storage, or its contemplated transfer, does not relieve the Contractor of these responsibilities.
- (hh) Contractor's Maintenance Program.
 - (1) Consistent with the terms of the Contract, the Contractor's maintenance program shall provide for:
 - (A) Disclosure of need for and the performance of preventive maintenance;
 - (B) Disclosure and reporting of need for capital rehabilitation; and
 - (C) Recording of work accomplished under the program.
 - (2) Preventive maintenance is maintenance performed on a regularly scheduled basis to prevent the occurrence of defects and to detect and correct minor defects before they result in serious consequences. An effective preventive maintenance program shall include at least:
 - (A) Inspection of buildings at periodic intervals to assure detection of deterioration and the need for repairs;
 - (B) Inspection of plant equipment at periodic intervals to assure detection of maladjustment, wear, or impending breakdown;
 - (C) Regular lubrication of bearings and moving parts in accordance with a lubrication plan;
 - (D) Adjustments for wear, repair, or replacement of worn or damaged parts and the elimination of causes of deterioration;
 - (E) Removal of sludge, chips, and cutting oils from equipment that will not be used for a period of time;
 - (F) Taking necessary precautions to prevent deterioration caused by contamination, corrosion, and other substances; and
 - (G) Proper storage and preservation of accessories and special tools furnished with an item of plant equipment but not regularly used with it.
 - (3) The Contractor's maintenance program shall provide for disclosing and reporting the need for major repair, replacement, and other capital rehabilitation work for Government property in its possession or control.
- (ii) Use of Government Property. The Contractor's procedures shall be in writing and adequate to assure that Government property will be used only for those purposes authorized in the Contract.
- (jj) Property in Possession of Subcontractors. The Contractor shall require any of its subcontractors possessing or controlling Government property to adequately care for and maintain that property and assure that it is used

only as authorized by the Contract. The Contractor's approved property control system shall include procedures necessary for accomplishing this responsibility.

- (kk) Shipment of Government Property. Copies of DD Form 1149 or comparable documents shall be forwarded to the JPL Property Administrator upon shipment.
- (ll) Audit of Property Control System. The Contractor's Government property control system may be audited by the Government or JPL as frequently as conditions warrant. These audits may take place at any time during Contract performance, upon Contract completion or termination, or at any time thereafter during the period the Contractor is required to retain such records. The Contractor shall make all such records and related correspondence available to the auditors.



Jet Propulsion Laboratory
California Institute of Technology

4800 Oak Grove Drive
Pasadena, California 91109-8099

(818) 354-4321

(EXHIBIT 1 - Attached to Form JPL 0968)

PROPERTY CLOSEOUT CERTIFICATE

The undersigned Contractor, having completed the work called for by Contract No. _____, dated _____, with the California Institute of Technology, Jet Propulsion Laboratory, certifies that:

(Check one, as appropriate)

- ☐ All Government property (as defined in FAR 45.101) has been disposed of by the Contractor and its subcontractors in accordance with the terms of the Contract.
- ☐ No Government property was furnished to or acquired by the Contractor or its subcontractors.

Date

Contractor

Authorized Representative Signature

Title



Jet Propulsion Laboratory
California Institute of Technology

4800 Oak Grove Drive
Pasadena, California 91109-8099

(818) 354-4321

CONTRACTOR PERSONNEL ACCESS REQUEST

(Mail to Attention of: JPL Plant Protection Office, Building 180, Room 103)

Before a JPL badge is issued to contractor personnel for access to JPL facilities, this form must be completed by the contractor and the person requiring access and provided to the JPL Plant Protection Office. To allow for security processing, this form must be submitted at least 24 hours before the required access to JPL premises by the contractor personnel.

1. Have you ever been convicted of a felony?

☐ Yes ☐ No

2. Have you ever been convicted of a misdemeanor which resulted in imprisonment?

☐ Yes ☐ No

3. If you answered "Yes" to any of the above questions, please state the date, place and circumstances. A conviction will not necessarily disqualify you from access to JPL premises. If you need additional space, please attach another sheet of paper.

I certify that answers given herein are true and complete to the best of my knowledge, and I authorize investigation of all statements contained herein. I understand that misrepresentation or omission of facts could result in withdrawal or denial of access to JPL.

Date Signed

Contractor Personnel Signature

Required Access Date

Typed/Printed Name

Contract No.

Contracting Company

By:_____

Typed Name

Phone No.

PROCUREMENT REVIEW GUIDELINES FOR SUBCONTRACTS ISSUED UNDER JPL COST-REIMBURSEMENT CONTRACTS

- A. The General Provision for cost-reimbursement contracts entitled "Subcontracts" provides that certain subcontracts, including purchase orders, between JPL contractors and second-tier subcontractors require JPL review and consent. To obtain this consent, JPL contractors should submit the following documents and a DD form 1419, "DOD Industrial Plant Equipment Requisition," if applicable, for JPL review:
1. The proposed subcontract, including referenced documents (e.g., specifications, lists, drawings). JPL will review the statement of work, delivery or performance schedule, technical specifications and testing and reporting requirements for accuracy and compatibility with the contract.
 2. If competition was obtained, a list of the sources solicited, the results of bid/quotation/proposal evaluations, and the basis for source selection.
 3. If the solicitation was noncompetitive, the supporting rationale and documentation to justify the noncompetitive decision. The documentation should clearly and concisely identify the principal factors supporting the justification for the noncompetitive procurement, including why it was not possible to obtain competition or why competition was not a reasonable course of action, all factors considered.
 4. A cost or price analysis showing the subcontract cost/price is reasonable.
 5. A completed "Correlation of JPL Passdown Requirements to Contractor's Proposed Subcontract Provisions," form JPL 1942, correlating the passdown requirements of the JPL contract to the provisions in the subcontract.
- B. Certain provisions included in the JPL Contract must be passed down in second-tier subcontracts according to their terms.

NOTE: JPL does not represent that these are the only provisions that need to be flowed down to lower-tier subcontractors. These are merely JPL's minimum flowdown requirements. The contractor must make an independent assessment to ensure that the JPL contract is being fully performed. For example, JPL does not require the contractor to flow down the "Termination," "Changes," "Stop Work," or "Payment for Overtime Premiums" provisions; yet the contractor may consider these provisions (modified as appropriate) to be necessary.

**CORRELATION OF JPL PASSDOWN REQUIREMENTS TO CONTRACTOR'S
PROPOSED SUBCONTRACT PROVISIONS**

NOTE TO THE CONTRACTOR: Please complete and submit this form with the request for consent package. Please indicate the applicable JPL Provisions in your JPL Contract by marking an "X" in the box in the left column, below. Please supply the requested information identifying the subcontract provision which satisfies the passdown requirement for each applicable JPL contract provision. (See enclosed form JPL 1939, "Procurement Review Guidelines for Subcontracts Issued under JPL Cost-Reimbursement Contracts")

<u>JPL PROVISIONS</u>		<u>SUBCONTRACT PROVISIONS</u>		
GENERAL PROVISIONS		<u>No.</u>	<u>Title</u>	<u>Page</u>
<input type="checkbox"/>	GP-10. Notice to JPL of Labor Disputes			
<input type="checkbox"/>	GP-11. Asbestos Notification			
<input type="checkbox"/>	GP-16. Anti-Kickback Procedures			
<input type="checkbox"/>	GP-17. Limitation of Payments to Influence Certain Federal Transactions			
<input type="checkbox"/>	GP-18. Contractor and Subcontractor Cost or Pricing Data			
<input type="checkbox"/>	GP-19. Integrity of Unit Prices			
<input type="checkbox"/>	GP-20. Audit-Negotiation			
<input type="checkbox"/>	GP-22. Prohibition of Contractor Use of Privately Owned Aircraft in Contract Performance			
<input type="checkbox"/>	GP-23. Electrical Equipment Acquisition			
<input type="checkbox"/>	GP-24. Hazardous Material Identification and Material Safety Data			
<input type="checkbox"/>	GP-25. Notice of Radioactive Materials			
<input type="checkbox"/>	GP-26. Clean Air and Water			
<input type="checkbox"/>	GP-27. Limitation of Liability			
<input type="checkbox"/>	GP-28. Cross-Waivers of Liability for Space Shuttle Services, NASA Expendable Launch Vehicle (ELV) Launches, and for Space Station Activities			
<input type="checkbox"/>	GP-29. Contract Work Hours and Safety Standards Act - Overtime Compensation			

JPL PROVISIONS

SUBCONTRACT PROVISIONS

GENERAL PROVISIONS (Cont'd)

<u>No.</u>	<u>Title</u>
1	1. The first row of the table contains the header information.
2	2. The second row of the table contains the header information.
3	3. The third row of the table contains the header information.
4	4. The fourth row of the table contains the header information.
5	5. The fifth row of the table contains the header information.
6	6. The sixth row of the table contains the header information.
7	7. The seventh row of the table contains the header information.
8	8. The eighth row of the table contains the header information.
9	9. The ninth row of the table contains the header information.
10	10. The tenth row of the table contains the header information.

Page

- ☐ GP-31. Equal Opportunity
- ☐ GP-32. Affirmative Action for Handicapped Workers
- ☐ GP-33. Affirmative Action for Special Disabled and Vietnam Era Veterans
- ☐ GP-34. Employment Reports on Special Disabled Veterans and Veterans of the Vietnam Era
- ☐ GP-36. Preference for U.S.-Flag Air Carriers
- ☐ GP-37. Preference for Privately Owned U.S.-Flag Commercial Vessels
- ☐ GP-38. Required Sources for Jewel Bearings and Related Items
- ☐ GP-39. Restrictions on Certain Foreign Purchases
- ☐ GP-40. Geographic Participation in the Aerospace Program
- ☐ GP-44. Use of Rural Area Small Businesses
- ☐ GP-45. Utilization of Small Business Concerns and Small Disadvantaged Business Concerns
- ☐ GP-47. Small Business and Small Disadvantaged Business (SB/SDB) Subcontracting Plan
- ☐ GP-48. Restrictions on Subcontractor Sales
- ☐ GP-54. Transfer of Technical Data Under Space Station International Agreements
- ☐ GP-55. Notice and Assistance Regarding Patent and Copyright Infringement
- ☐ GP-56. Authorization and Consent
- ☐ GP-63. Subcontracts
- ☐ GP-64. Government Property
- ☐ GP-67. Compliance with the Americans with Disabilities Act
- ☐ GP-77. Felony Conviction Information (Contractor's Personnel in Residence at JPL)

[illegible]

SUBCONTRACT PROVISIONS

ADDITIONAL GENERAL PROVISIONS

<u>No.</u>	<u>Title</u>
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Page

- ☐ AGP-2. Administration of Cost Accounting Standards
- ☐ AGP-3. Cost Accounting Standards
- ☐ AGP-4. Disclosure and Consistency of Cost Accounting Practices
- ☐ AGP-14. Liability for the Facilities
- ☐ AGP-23. Taxes (Foreign Cost-Reimbursement Contract)
- ☐ AGP-27. Rights in Data - Special Works
- ☐ AGP-30. New Technology
- ☐ AGP-31. Patent Rights - Retention by the Contractor (Short Form)
- ☐ AGP-32. Patent Rights (Long Form) (DOE)
- ☐ AGP-33. Patent Rights - Small Business Firms or Nonprofit Organizations (DOE)
- ☐ AGP-34. Invention Reporting and Rights - Foreign
- ☐ AGP-35. Filing of Patent Applications - Classified Subject Matter
- ☐ AGP-36. Security Requirements
- ☐ AGP-37. Security Requirements (CREI)
- ☐ AGP-43. Service Contract Act of 1965, As Amended
- ☐ AGP-44. Service Contract Act of 1965, As Amended (Long Form)
- ☐ AGP-47. Safety and Health
- ☐ AGP-48. Potentially Hazardous Items
- ☐ AGP-50. Frequency Authorization
- ☐ AGP-52. Duty-Free Entry
- ☐ AGP-54. Limitation of Liability - Services
- ☐ AGP-55. Limitation of Liability - High-Value Items
- ☐ AGP-57. Compliance with the Americans with Disabilities Act (Cost/CREI)

JPL CERTIFICATION

- ☐ Certification of Nonsegregated Facilities
- ☐ Certification of Clean Air and Water
- ☐ Certification of Anti-Kickback Compliance
- ☐ Certification of Americans with Disabilities Act Compliance
- ☐ Certification and Disclosure Regarding Payments to Influence Certain Federal Transactions
- ☐ Certification of Full Disclosure Regarding Debarred, Suspended, or Proposed for Debarment Status

SUBCONTRACT CERTIFICATION

Following are examples of JPL Provisions which may require a subcontract provision for the contractor to comply with these provisions:

JPL PROVISIONS

GENERAL PROVISIONS

- ☐ GP-35. Buy American Act - Supplies
- ☐ GP-51. Rights in Data - General
- ☐ GP-52. Existing Commercial Computer Software - Licensing
- ☐ GP-57. New Material
- ☐ GP-68. Additional Data Requirements

SUBCONTRACT PROVISION (if needed)

<u>No.</u>	<u>Title</u>	<u>Page</u>